Council Workshop

20 August 2026

RANGITĪKEI
DISTRICT COUNCIL

Agenda

- **9.30am – 12/12.30pm: Long Term Plan**
  - Strategic Framework
  - Non-financial assumptions
  - Finance introduction
- 1pm – 2.30pm: Central Districts Water – Transfer agreement (pex)
- Workshop Notes

Long Term Plan 2027-37

Strategic Framework

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Presentation Overview

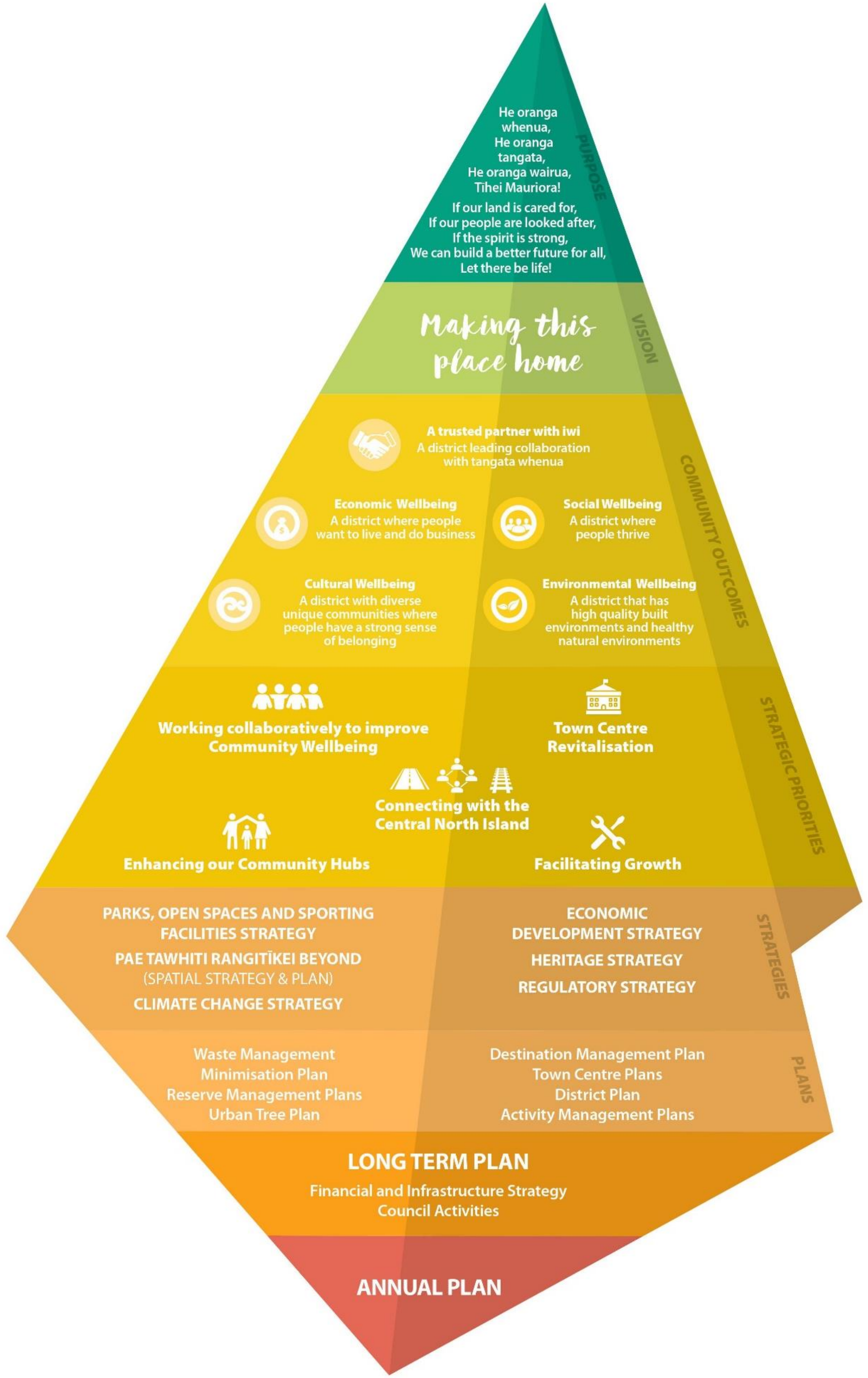
- Strategic Framework Review Overview
- Parts of the Framework that are confirmed
  - Purpose & Vision
  - Strategies and Plans
- Parts of the Framework to be confirmed
  - Community Outcomes
  - Strategic Priorities
- Responses to survey
- Where to now?

Your Strategic Framework will inform the development of the LTP 2027-37.

It guides your decision-making once it is in place including around service delivery, projects and investment

Strategic Framework Review - **Overview**

- An initial workshop on **19 March**
  - Overview of the Framework was provided; and
  - Questions to help understand Council's priorities, opportunities and risks for the next 3-5 years
- A second workshop on **23 April**
  - Tested what areas of the Framework that might benefit from being updated
- A third workshop on **1 July**
  - Focused on the mid section of the framework i.e. the Community Outcomes and the Strategic Priorities
- A survey was sent to you on **24 July**



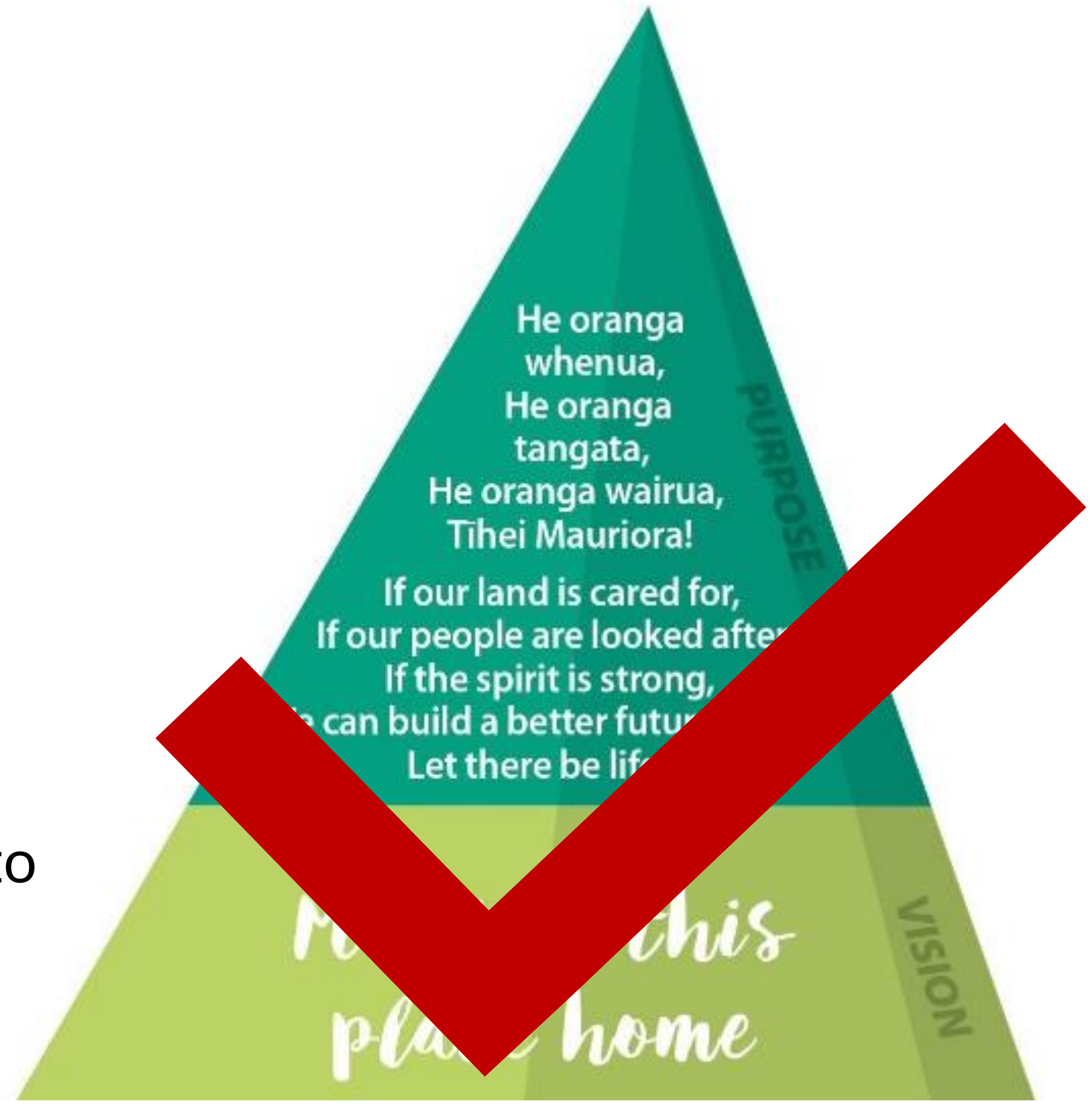
Strategic Framework –
Purpose & Vision

- Our **purpose** is the "*why*" - it's at the heart of why we do what we do.

He oranga whenua	*If our land is cared for*
He oranga tangata	*If our people are looked after*
He oranga wairua	*If the spirit is strong*
Tihei mauri ora!	*We can build a better future for all*
	Let there be life

- Council's **vision** is the "*where*" - Where do we aspire to be as an organisation.

  Making this place home



Strategic Framework –

Strategies & Plans

- Strategies set out the goals and rationale for a particular topic and guide any relevant underlying plans.
- Plans provide a detailed picture of how the higher order strategies will be implemented/delivered, financed, and if/how Council will work with others to achieve the goals.

Central part of the Strategic Framework is to be confirmed. These are Council's:

- Community Outcomes
- Strategic Priorities

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Councillor survey responses

Survey asked four questions.

Six members responded to the survey.

Q1. Community Outcomes:

- Four supported the new outcomes,
- One supported retaining the current outcomes, and
- One preferred developing new outcomes.

Fit for Purpose Infrastructure

Quality Services for our Communities

Sound delivery of Regulatory Functions

A Trusted Partner with Iwi

Councillor survey responses

Q2. Support for the CURRENT Strategic Priorities:

Town Centre Revitalisation – **3/6**

Working Collaboratively To Improve Community Wellbeing – **3/6**

Enhancing Our Community Hubs – **2/6**

Facilitating Growth – **4/6**

Connection With The Central North Island – **3/6**

Councillor survey responses

Q3. Support for the NEW Strategic Priorities:

Enhance our sense of identity and place – **3/6**

Advocate for our local leadership and voice – **2/6**

Provide for and enable growth and diversification – **3/6**

Deliver on key projects – **4/6**

Explore ways to be more efficient in delivering services – **2/6**

Resilient communities – **3/6**



Councillor survey responses

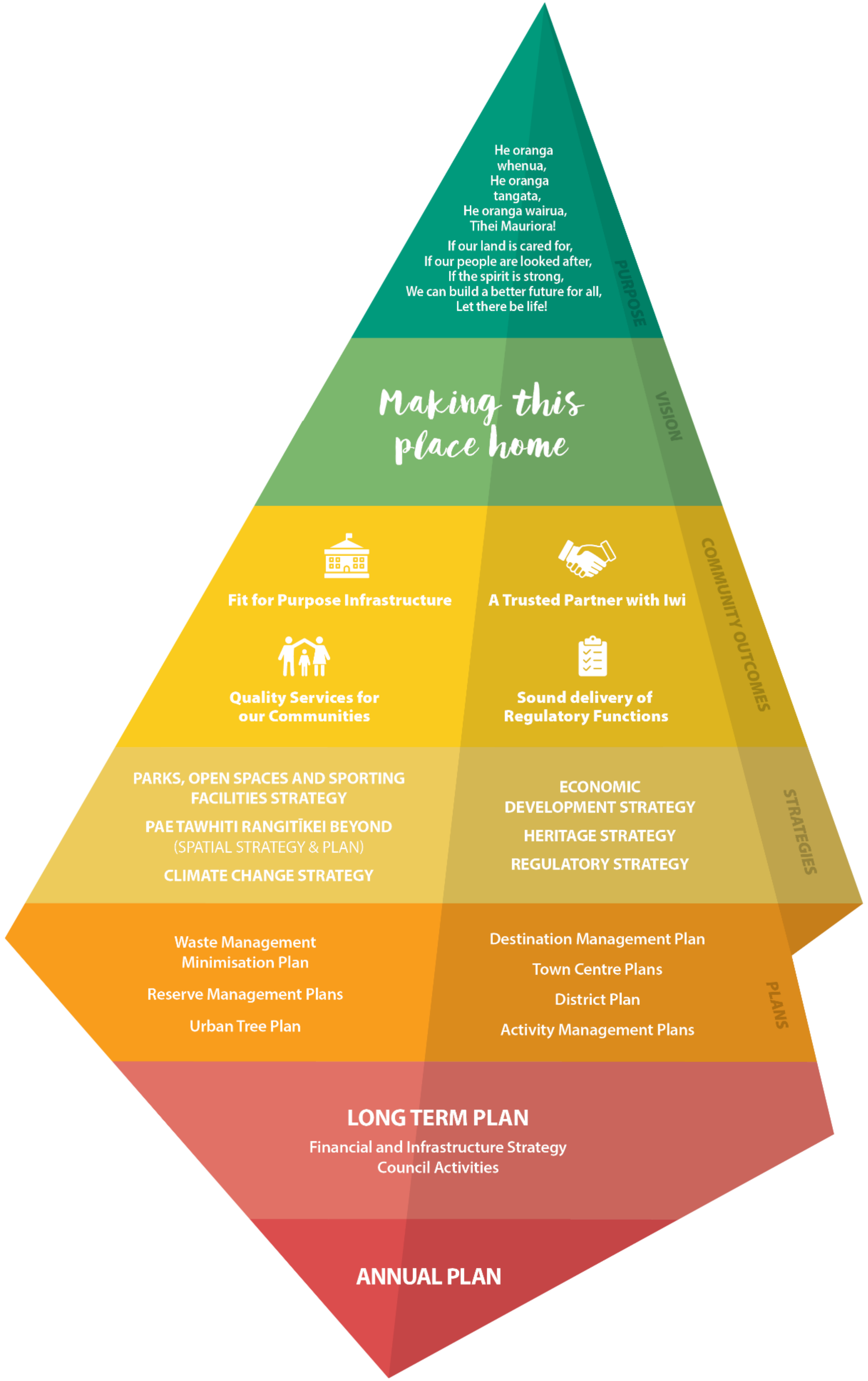
Q4. Opportunity for additional comments

- Reducing debt where possible
- Managing rates responsibly
- Increasing ways to reach people in weather emergencies - by phone or internet
- We can’t do everything – suggested ranking the priorities
- Question around cost of amending framework

Strategic Framework Review – **Where to Now?**

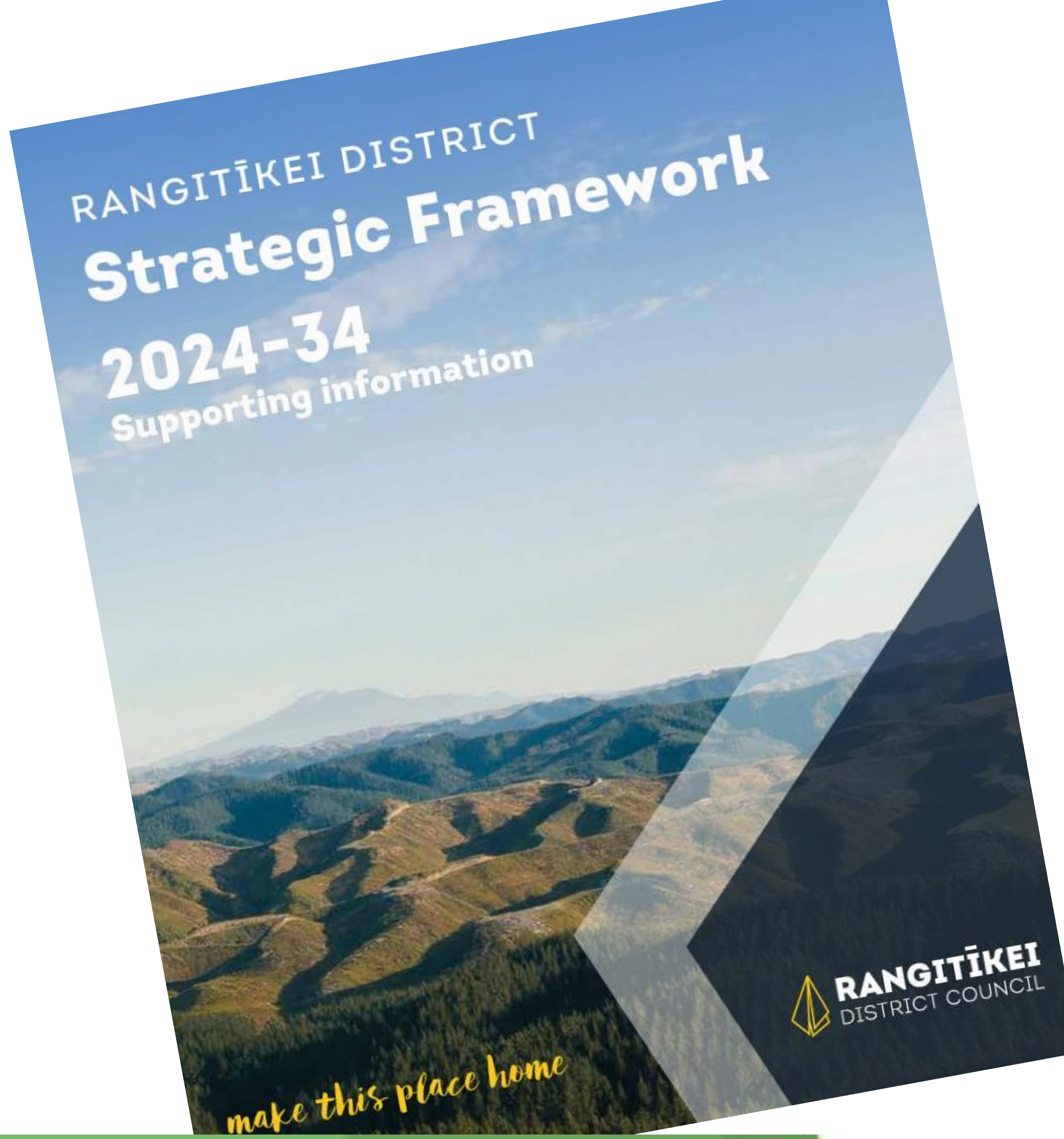
At this point it is recommended that Council does not identify any Strategic Priorities as part of its Strategic Framework

- No priorities have been ‘clearly and consistently’ identified through the review process to-date. Given the weight these would be given in future decision–making there should be strong support and buy-in for them
- There’s no legal requirement to identify Strategic Priorities
- As the LTP process continues Strategic Priorities may become obvious and these can be identified and endorsed by Council at that stage (i.e. before 30 June 2027)



Strategic Framework Review – **Where to Now?**

- The ‘supporting information’ for the Strategic Framework will be updated
- The LTP 2027-37 will use the revised community outcomes i.e. Activities will talk to how they align with the community outcomes
- Other strategies, plans and policies that reference the community outcomes will be updated over time as well



Long Term Plan 2027-37

Non-financial significant forecasting assumptions

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Long Term Plan Significant Forecasting Assumptions

A forecasting assumption is a **fact** or **circumstance** that Council accepts as true in developing its LTP.

These need to be **realistic**, **evidence-based** and **consistently applied** across the LTP and supporting documents. These include assumptions around:

- Expected growth in the district
- Climate change
- Inflation
- Condition of assets
- Key changes in legislation from government

Today we're seeking direction from Council on some of the growth scenarios and climate change scenarios assumptions

Population scenarios

Current population scenario – High Growth

- For the LTP 2024-34, Council adopted an expected population growth rate of 0.7% between 2024 and 2034. This was based on projections produced by Infometrics. This scenario predicted that by 2034, Rangitīkei would have a population of 17,533, an increase of 1,350 residents.
- Infometrics have revised their projections and released new scenarios. These are presented in three different scenarios – low, medium and high.
- It is noted that population growth is not predicted to be as high across any of the scenarios compared to what was predicted for the 2024 plan. For example the high projection if comparing to the year 2034 has now decreased to 17,420 from 17,533.

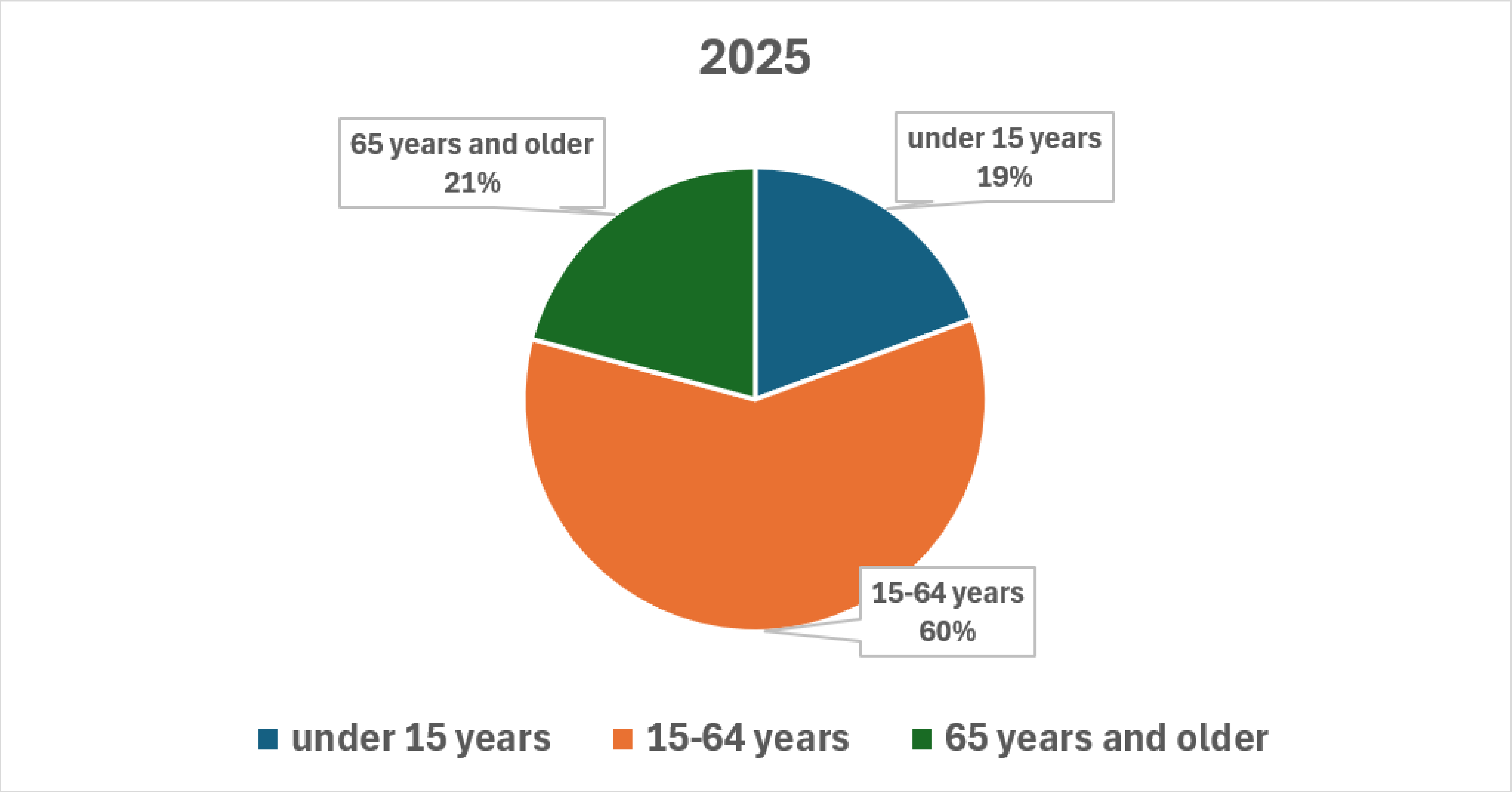
Population Scenarios

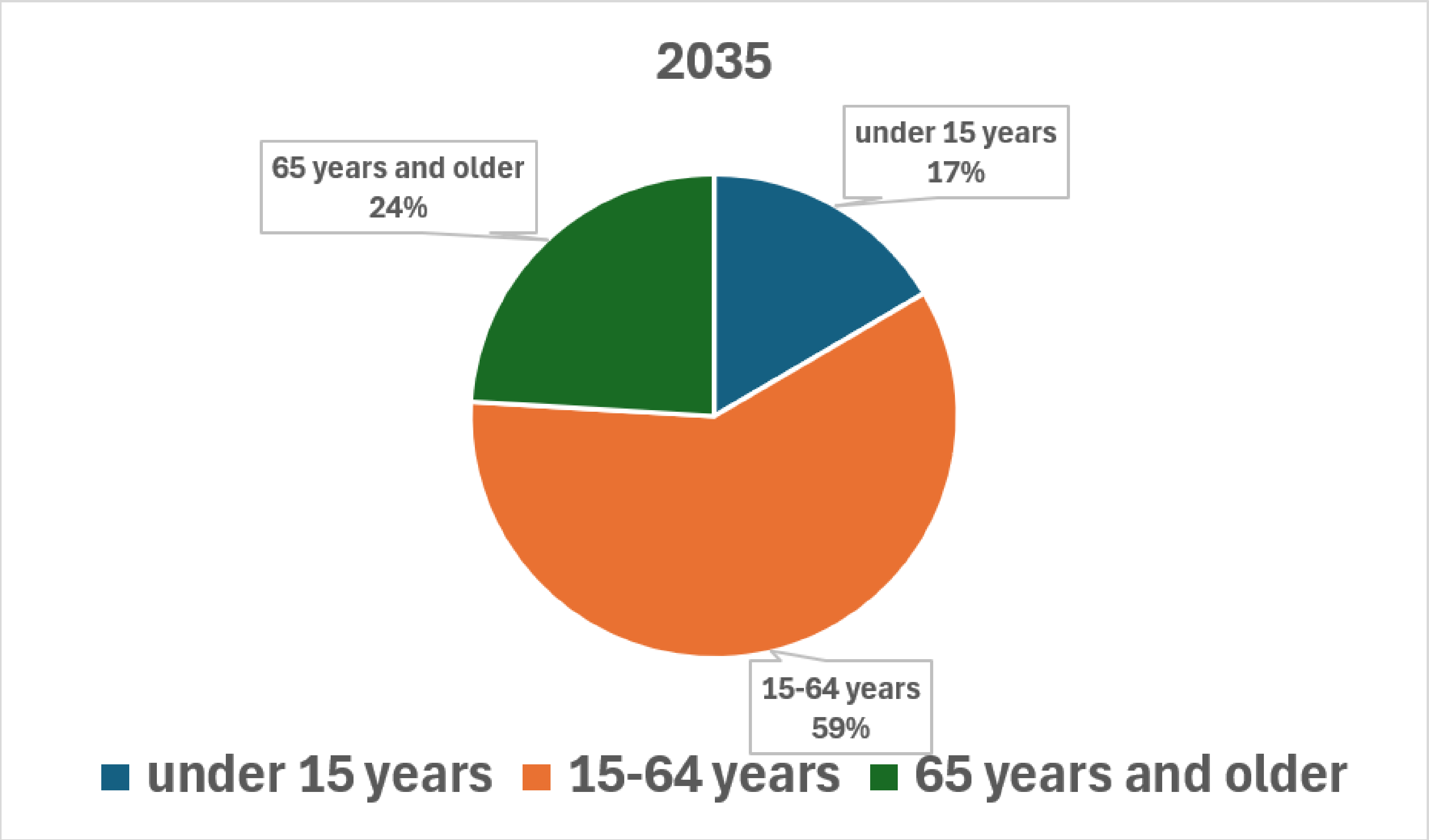
From 2025 to 2035 projections – Rangitīkei District (Infometrics)

Low scenario	2025	2030	2035	Increase of 3.8% across the ten years
Population	16,000	16,373	16,606	
Medium scenario	**2025**	**2030**	**2035**	**Increase of 6.7% across the ten years**
Population	16,000	16,593	17,074	
High scenario	**2025**	**2030**	**2035**	**Increase of 9.8% across the ten years**
Population	16,000	16,829	17,573	

[Pae Tawhiti Rangitikei Spatial Plan]

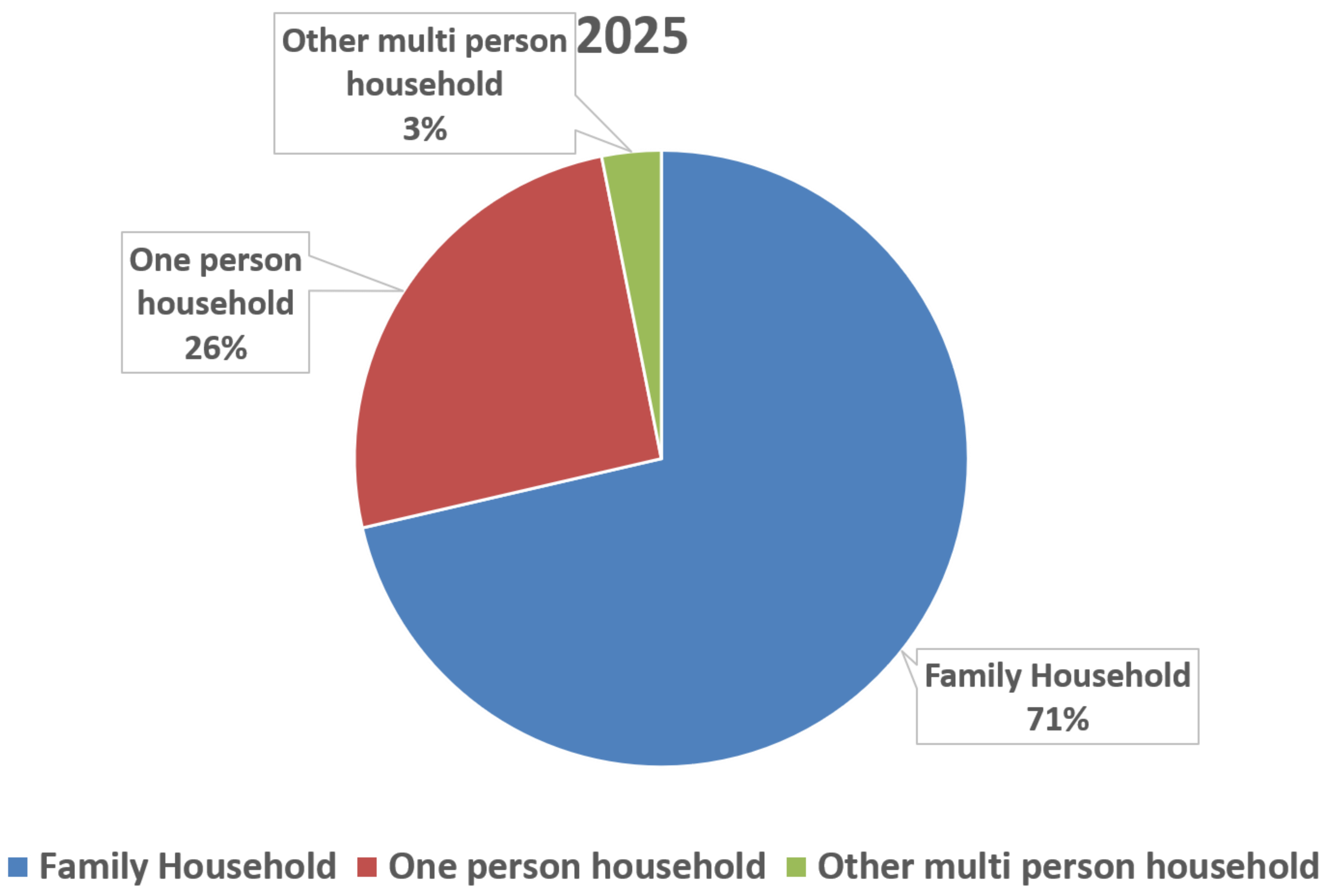
Age Structure

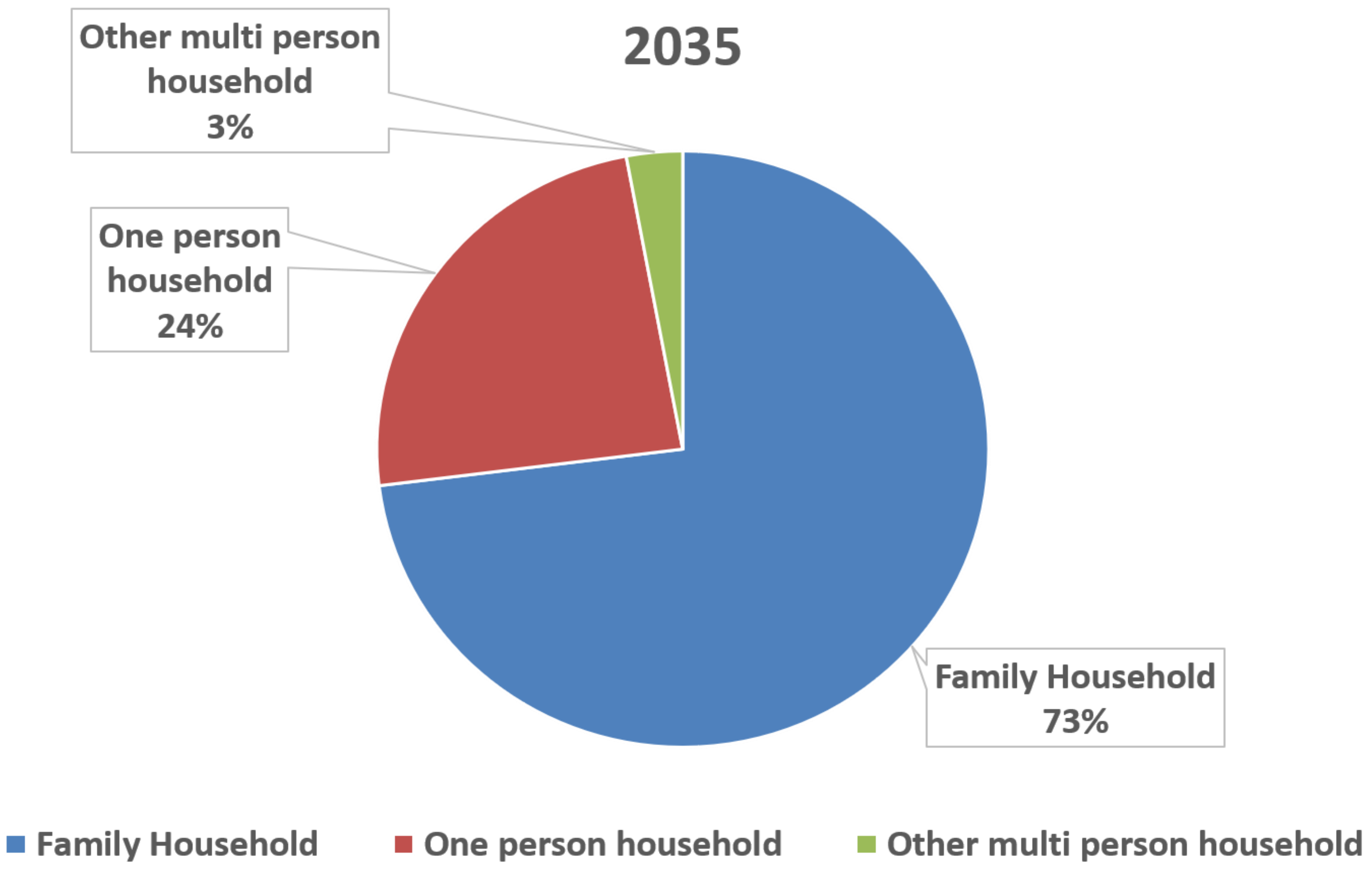




- The number of residents aged 65 years + is expected to grow significantly, with this age group projected to increase at a faster rate than all other age groups i.e. 21% in 2025 to 24% by 2035.
- An ageing population is likely to increase demand for health services, accessible housing, and community support, while also placing pressure on the size of the local workforce.
- At the same time, slower growth or decline in the working-age population can effect economic productivity, service delivery, and the ability to fund and maintain infrastructure over the long term.

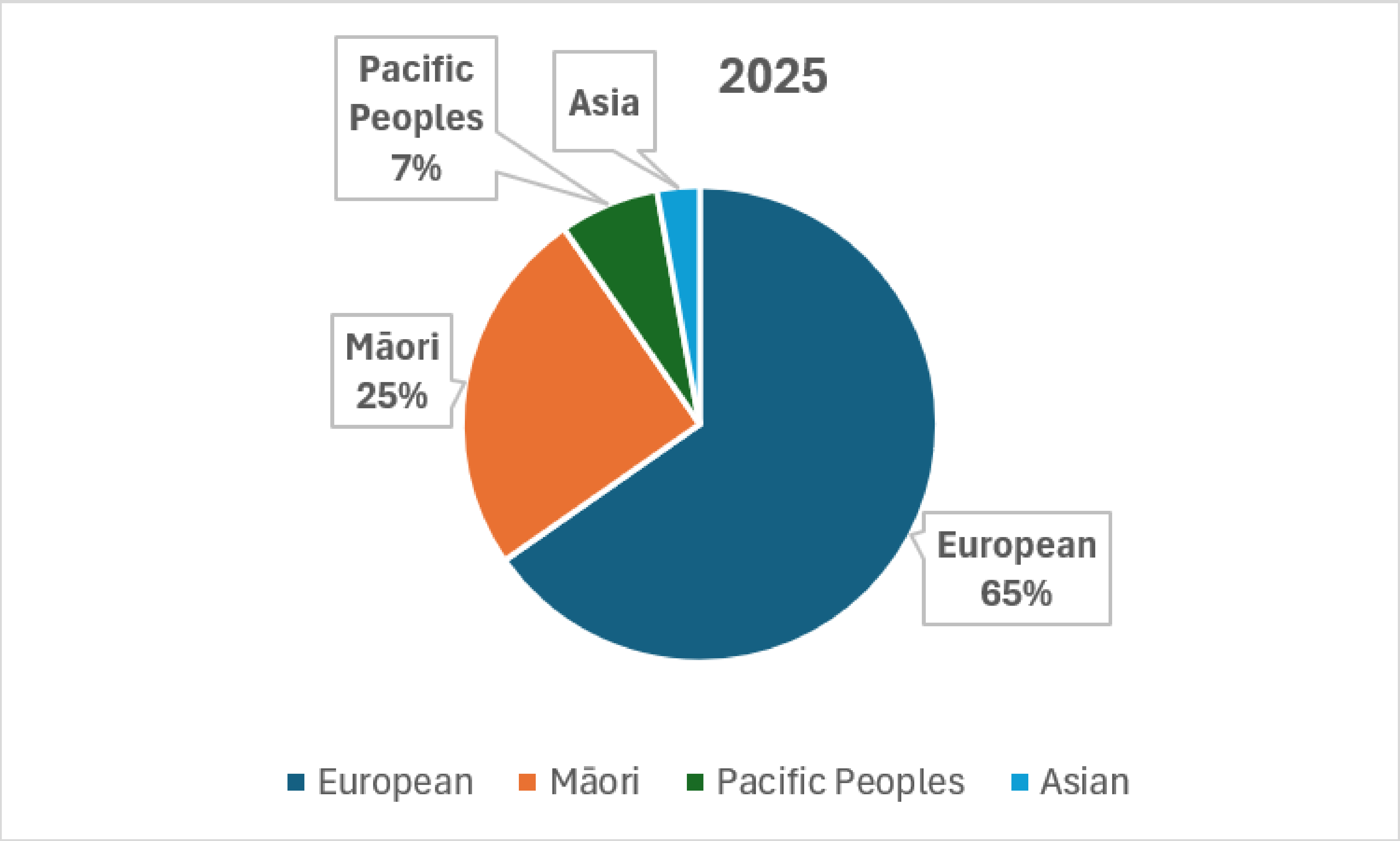
Households

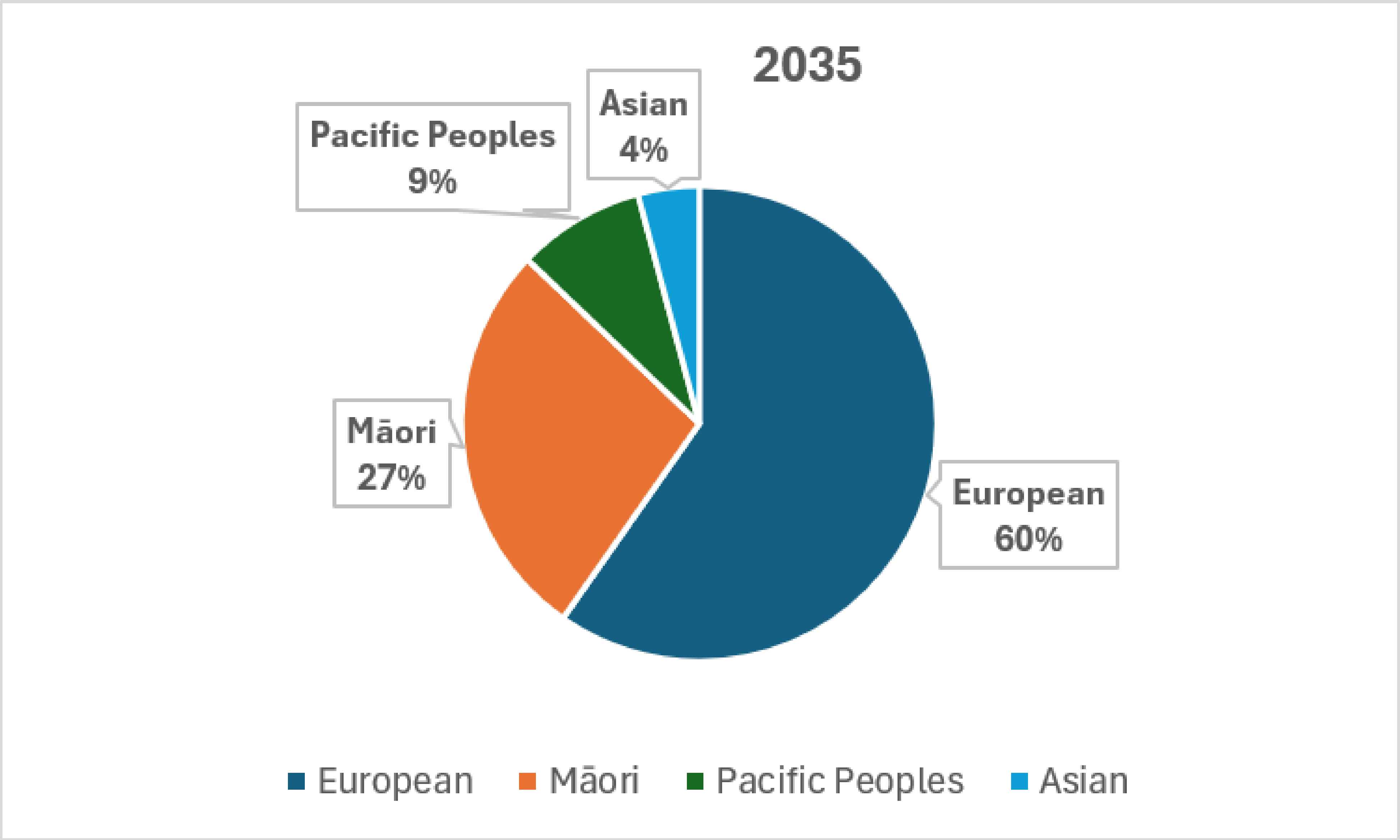




Average household sizes are projected to remain relatively stable or increase slightly, influenced by factors such as multi-generational living and economic pressures.

Ethnicity





- While the district remains less ethnically diverse than larger urban centres, there is a trend towards gradual increase in diversity over time, particularly among Pacific and Asian populations.
- It is projected that Māori, Pacific, and Asian populations will grow at faster rates than the NZ European population.
- Increasing ethnic diversity, alongside a significant Māori population, increases the importance of inclusive engagement and strong partnerships with mana whenua. Ensuring services are accessible and responsive to the needs of different communities will remain an important consideration.

Direction for population & demographic type assumptions

- There will be changes across the district in both population size and the diversity of local communities regardless of the scenario Council uses.
- The district is expected to continue experiencing population growth, changing households and an aging population.
- Council needs to provide direction on whether to use a low, medium or high growth scenario.
- Under planning for growth can mean that infrastructure and/or community facilities may not cope if higher growth occurs overtime. Predicting higher levels of growth then what occurs can have other impacts i.e. less ratepayers than expected.

Climate Change Scenario

- Climate change is expected to increasingly influence environmental conditions, infrastructure resilience, and land use across the District.
- This is an opportunity for Council to provide direction on the climate change scenario used in the LTP and supporting documents.
    - Previously Council has not been explicit in the LTP but has referenced the Horizons Risk Assessment from 2021.
- Scenarios present science-based, plausible but challenging futures that can be used as a practical tool to help local government navigate uncertainty, stress-test decisions, and build long-term resilience. LGFA

Scenarios used in the climate change projections data

Scenario	Description	Temperature
SSP1 – 2.6 Sustainability scenario	The world shifts gradually toward a more sustainable path, emphasising more inclusive development that respects environmental boundaries	Assumes below 2˚C, with net zero CO_2 emissions reached by 2050.
SSP2 – 4.5 Middle of the road	Middle of the road, follows a path in which social, economic, and technological trends do not shift markedly from historical patterns	Assumes that warming reaches 2.7˚C by 2100.
SSP3 -7.0 Regional rivalry	The world becomes more focused on national and regional security issues, and there is no additional climate policy	Assumes CO_2 emissions approximately double from current levels by 2100 and warming reaches 3.6˚C by 2100

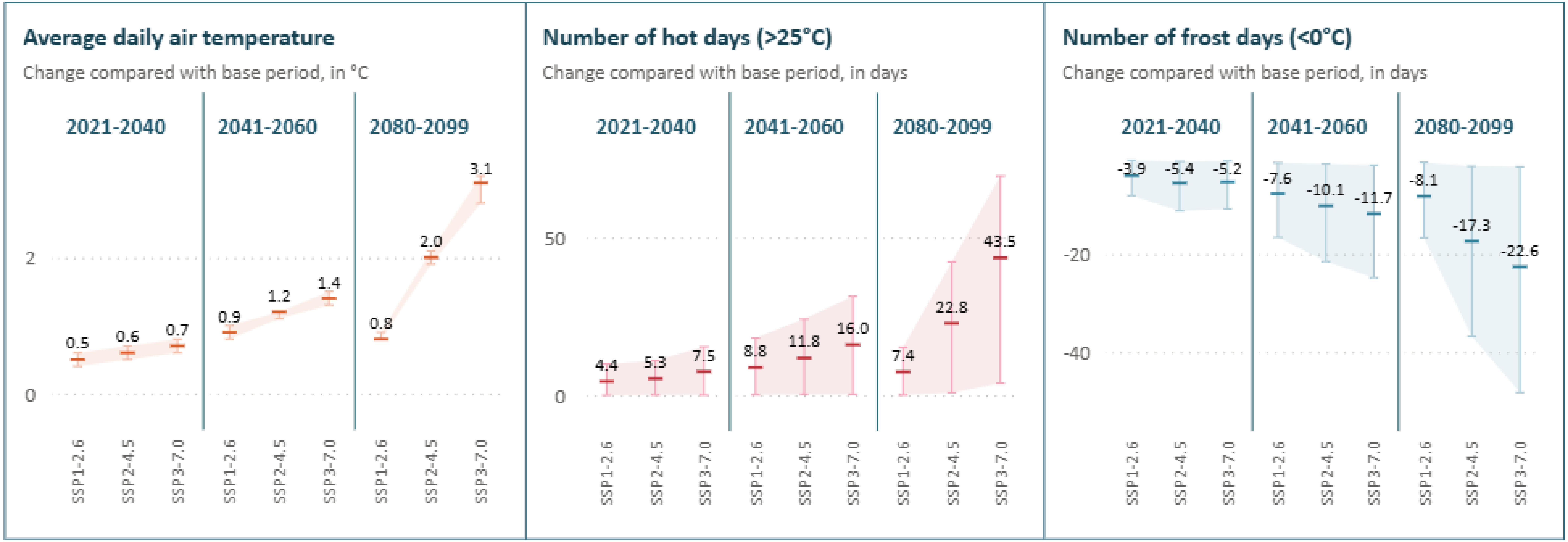
Data from 18 September 2024 – Ministry for the Environment Climate projections summary dashboard | Ministry for the Environment

Warmer average temperatures expected through to 2040

	SSP 1 – 2.6	SSP2 – 4.5	SSP3 – 7.0
Average daily air temperate increase	0.5 °C	0.6°C	0.7 °C
Number of hot days (>25℃) increase	4.4 days	5.3 days	7.5 days
Number of frost days (<0℃) decrease	- 3.9 days	- 5.4 days	-5.2 days

The above are estimates for the Rangitīkei until 2040, projected average change for 2021–2040 compared with the 1995–2014 baseline.

- Warmer temperatures could affect water demand, infrastructure performance, public health, ecosystems and heat-related events. Understanding the potential warming helps Council plan resilient assets, services and long-term investments.
- More hot days could increase water demand, heat-related health risks, worker-safety concerns, infrastructure stress and fire risk. Understanding this change supports planning for resilient services, assets and emergency responses.
- Fewer frosts could affect agriculture, horticulture and ecosystems. Understanding changing seasonal conditions helps Council anticipate effects on the rural economy and long-term planning.



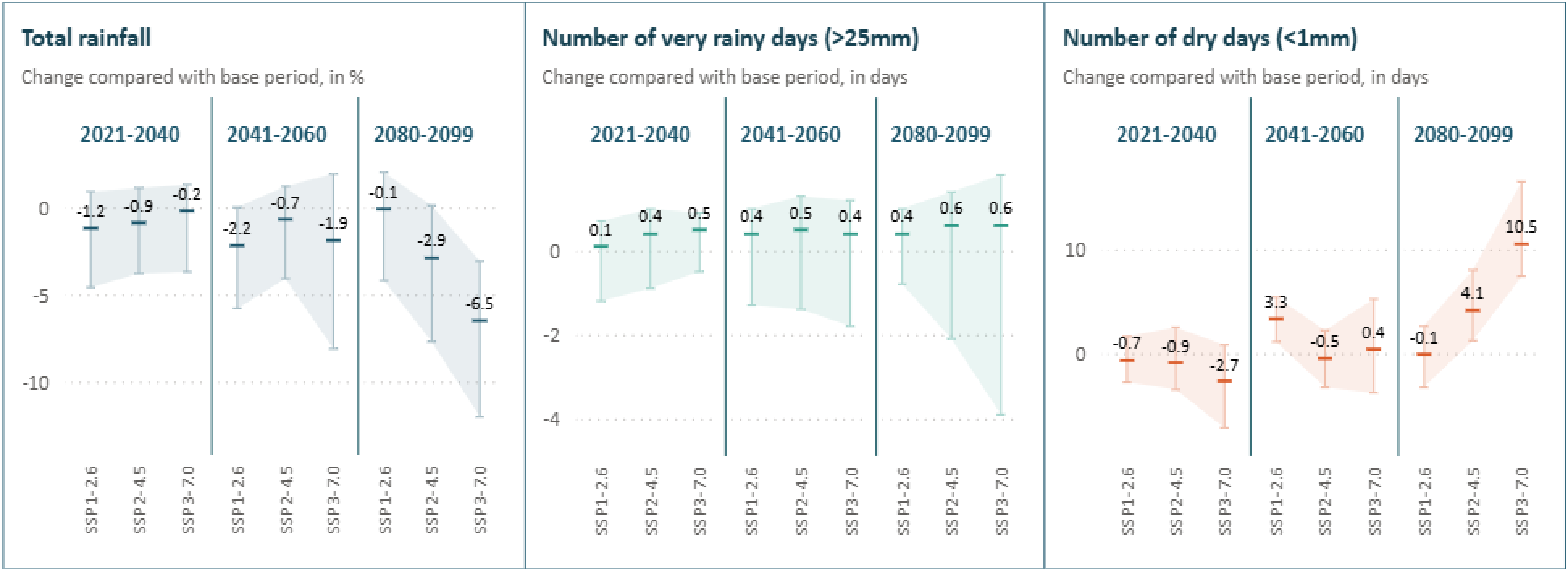
Average daily air temperature
Change compared with base period, in °C
2021-2040
2041-2060
2080-2099
0.5
0.6
0.7
0.9
1.2
1.4
0.8
2.0
3.1
2
0
SSP1-2.6
SSP2-4.5
SSP3-7.0
Number of hot days (>25°C)
Change compared with base period, in days
4.4
5.3
7.5
8.8
11.8
16.0
7.4
22.8
43.5
50
0
Number of frost days (<0°C)
Change compared with base period, in days
-3.9
-5.4
-5.2
-7.6
-10.1
-11.7
-8.1
-17.3
-22.6
-20
-40

Annual rainfall is projected to change little through to 2040

	SSP1 – 2.6	SSP2 - 4.5	SSP3 – 7.0
Total rainfall	-1.2%	-0.9%	-0.2%
Number of very rainy days (>25mm)	0.1 days	0.4 days	0.5 days
Number of dry days (<1mm)	-0.7 days	-0.9 days	-2.7 days

The above are estimates for the Rangitikei until 2040, projected average change for 2021–2040 compared with the 1995–2014 baseline

- Changing rainfall could affect water availability, drought and flooding risks, stormwater systems, land stability and the rural economy. Understanding these changes supports resilient infrastructure, services and long-term investment decisions.
- Heavy rainfall could increase the risk of flooding, slips, erosion and damage to roads, stormwater systems and other infrastructure. Understanding this risk helps Council plan resilient assets, emergency responses and future investment.
- Longer or more frequent dry periods could increase drought and fire risks, reduce water availability and affect agriculture and ecosystems. Understanding this change supports planning for resilient infrastructure, water services and emergency responses.



Total rainfall
Change compared with base period, in %
2021-2040
2041-2060
2080-2099
0
-5
-10
-1.2
-0.9
-0.2
-2.2
-0.7
-1.9
-0.1
-2.9
-6.5
SSP1-2.6
SSP2-4.5
SSP3-7.0
Number of very rainy days (>25mm)
Change compared with base period, in days
2021-2040
2041-2060
2080-2099
0
-2
-4
0.1
0.4
0.5
0.4
0.5
0.4
0.4
0.6
0.6
Number of dry days (<1mm)
Change compared with base period, in days
2021-2040
2041-2060
2080-2099
10
0
-0.7
-0.9
-2.7
3.3
-0.5
0.4
-0.1
4.1
10.5

Direction needed for Climate Change Scenario

- Climate change will impact the district and this is an opportunity for Council to provide direction on the different scenarios - SSP 1 – 2.6, SSP2 – 4.5, SSP3 – 7.0 or to continue without one.
- Selecting a scenario as part of the LTP promotes consistency among staff, supports planning for the impacts of climate change, and aligns our approach with the Climate Action Joint Committee.

Long Term Plan 2027-37

Finance introduction

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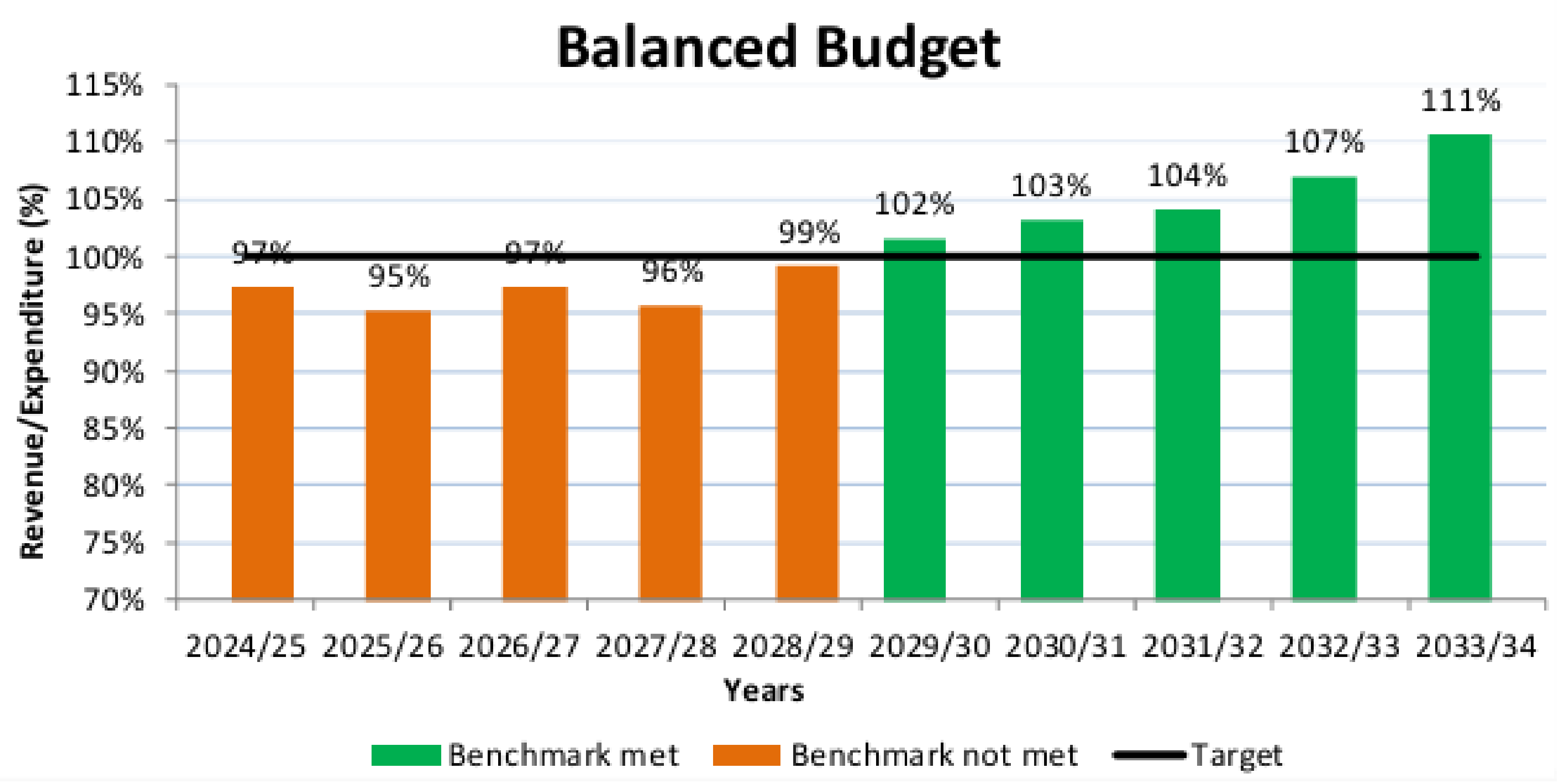
Agenda

- Refresh on where we are
- Key Documents
- Potential for Rating Change
- Inflation Indices – BERL
- Known Changes for this LTP
- Capital Spend and building in a structured Debt Repayment Strategy
- What about:
    - Balancing the Budget
    - Next three years – where's the rates pressure coming from?
    - What opportunities do we have to get to two percent rates increase by 2029/30
- What we don't know

Refresh on where we currently are…

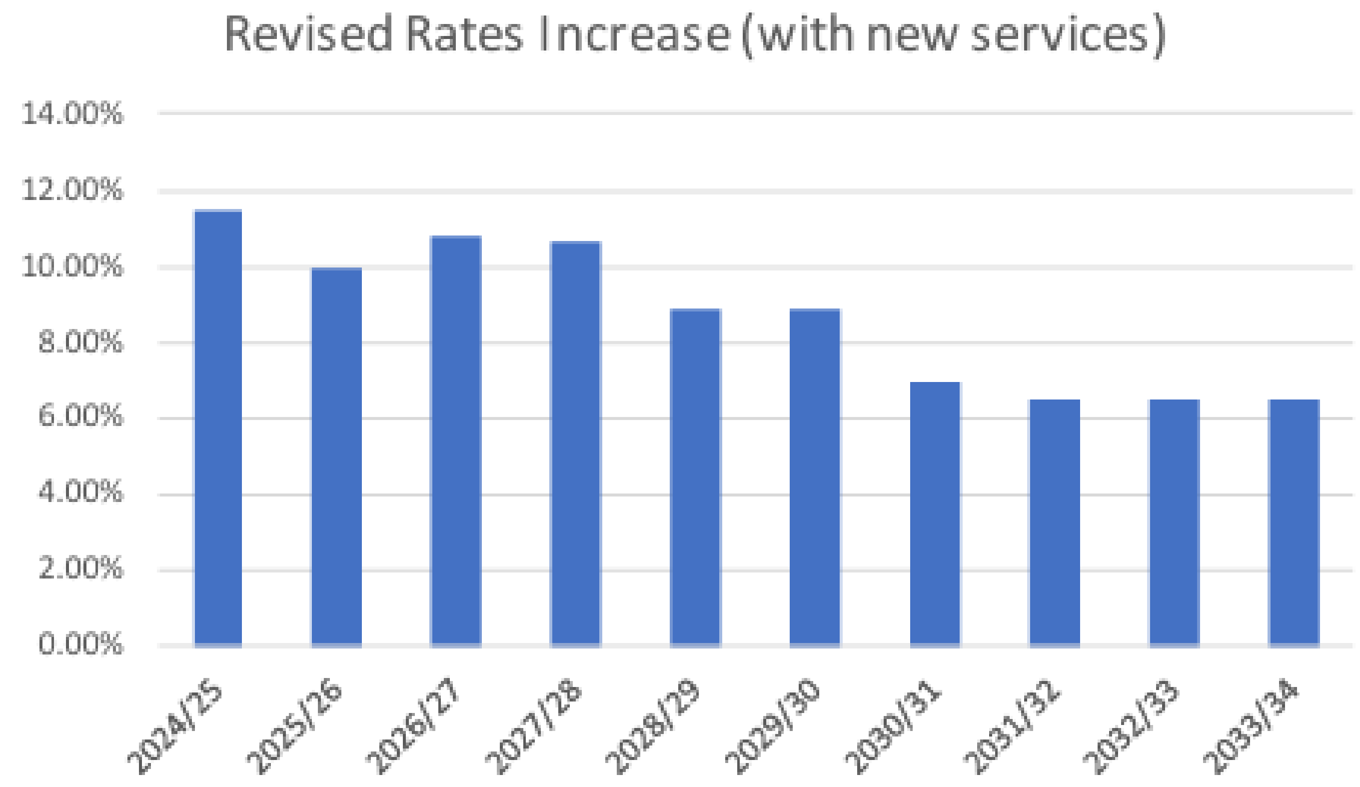
Current LTP 2024-27 – High-level Reminders

- Currently in Year Three (2026/27)
- No balanced budget for first five years
- No planned debt repayment
- CAPEX now out of date
- Included Three Waters
- Excluded current reforms regime incl. rates cap

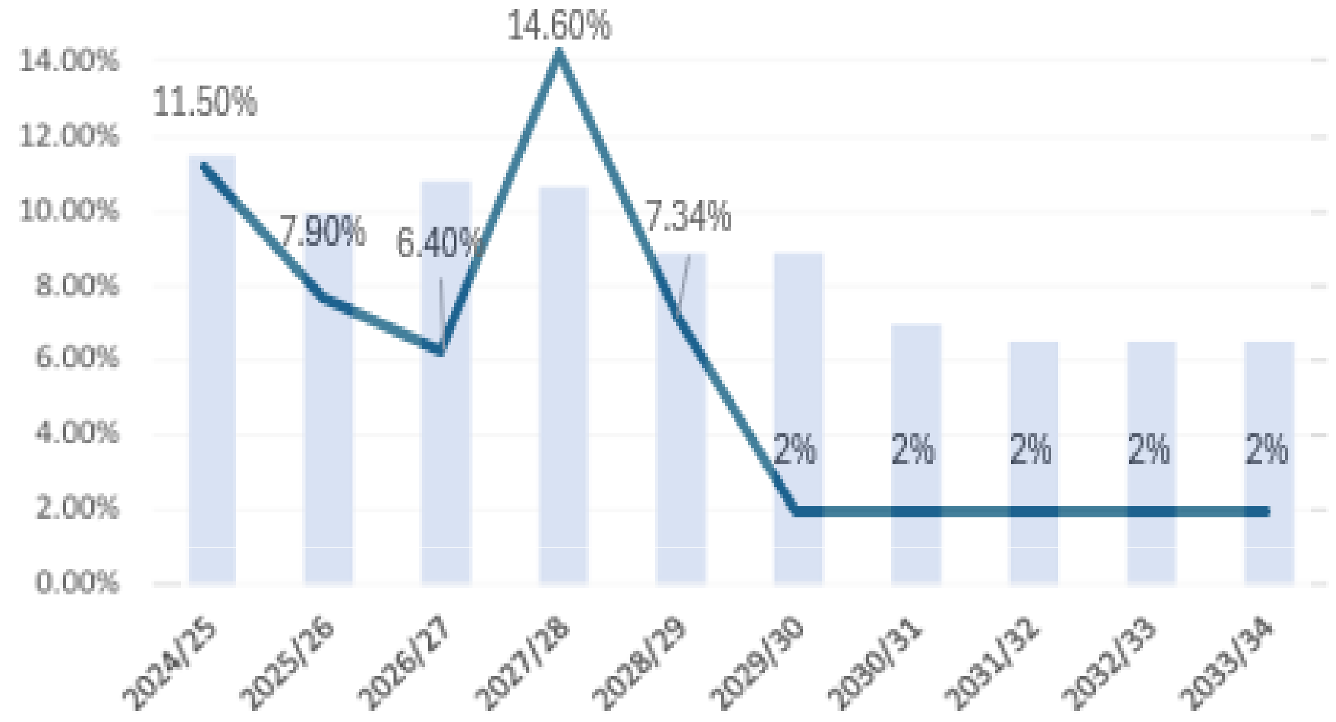


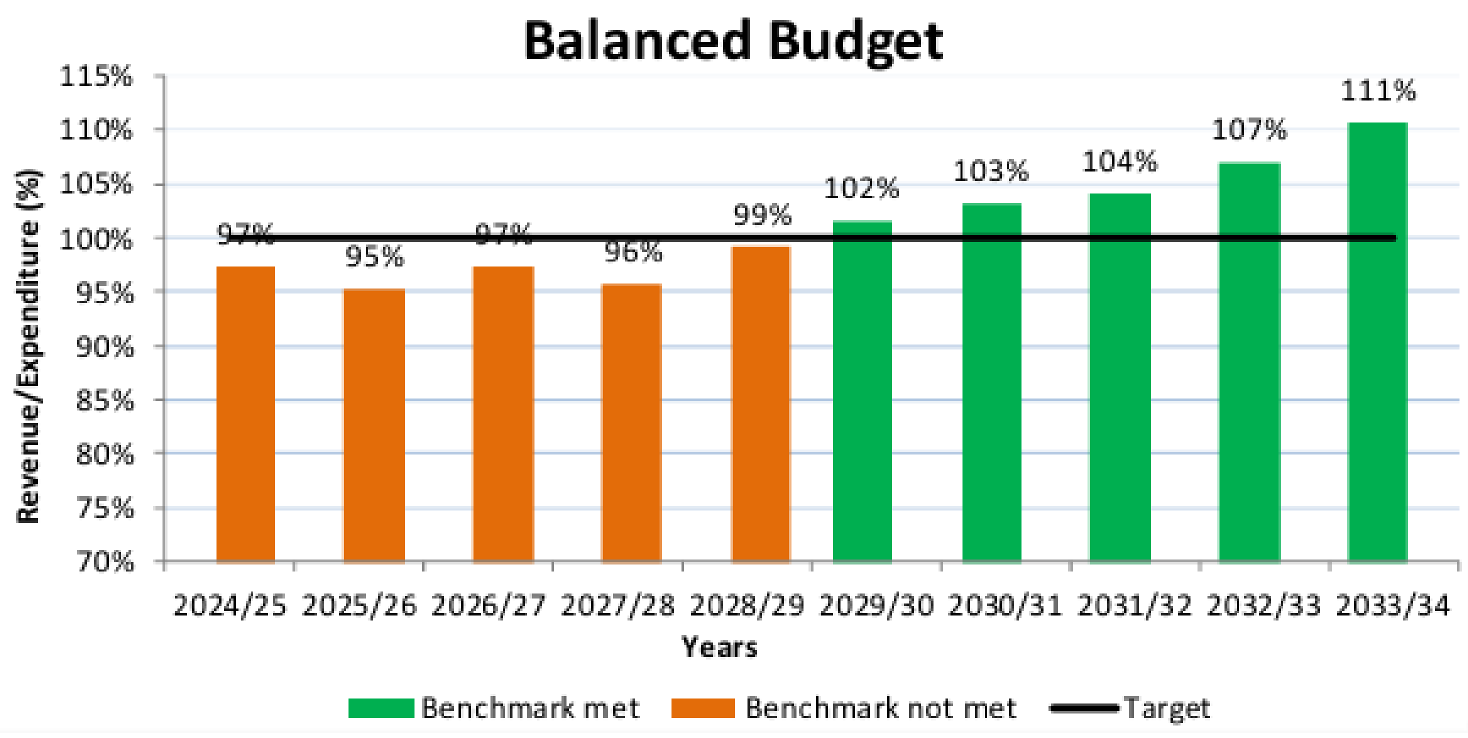
Where we could potentially go, given headwinds….

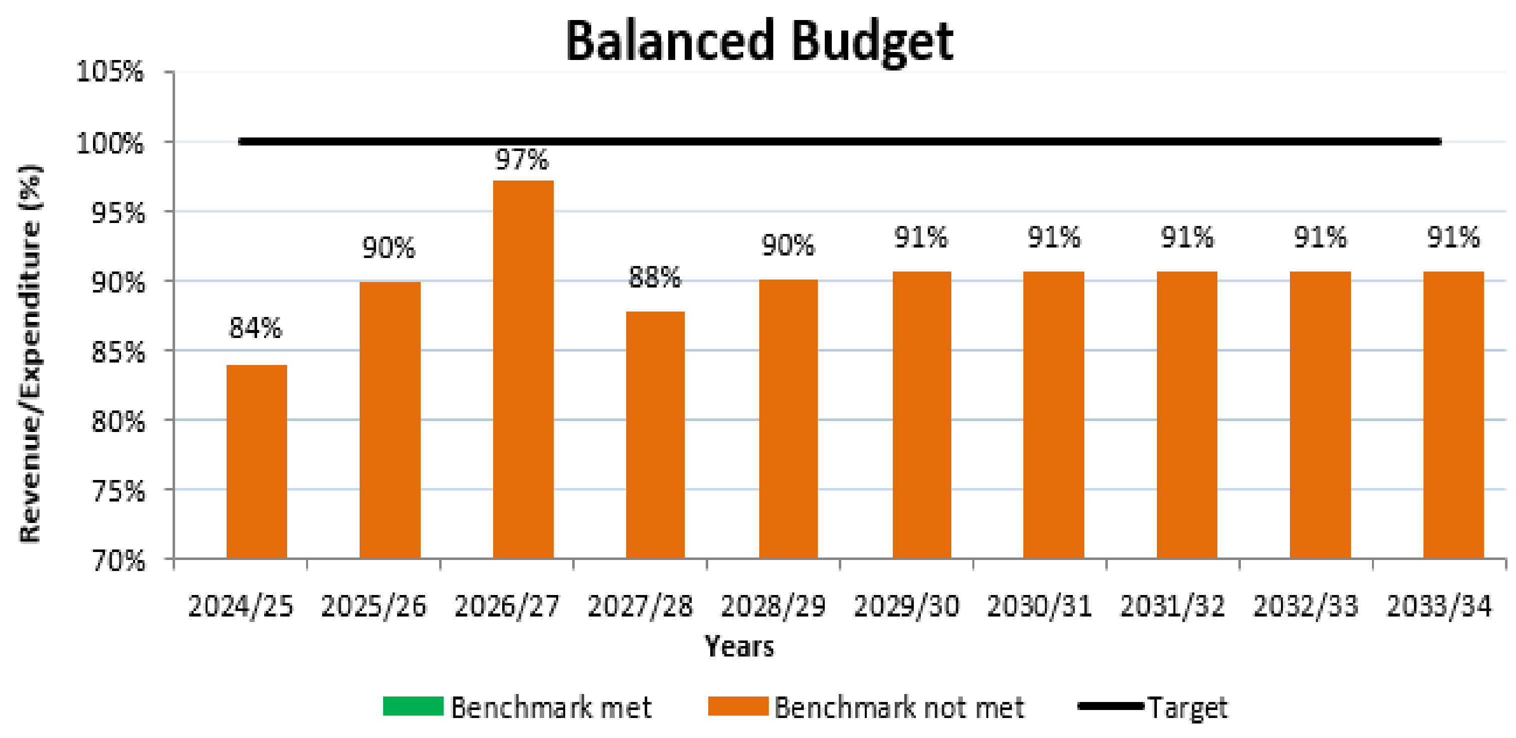
2024 -34 LTP



Actual / Potential







Key Documents

- Long Term Plan
- Revenue & Finance Policy 2026
- Rates Remission Policy 2026
- Treasury Management Policy 2025

All these documents need updating to reflect no Three Waters.

- Revenue & Finance Policy to reflect change (in any) ‘bands’ AND it will also have a change in activities & funding source analysis
- Rates Remission Policy to reflect no remission on toilet pans & no water leaks
- Treasury Management Policy will be reviewed as part of the LTP Process

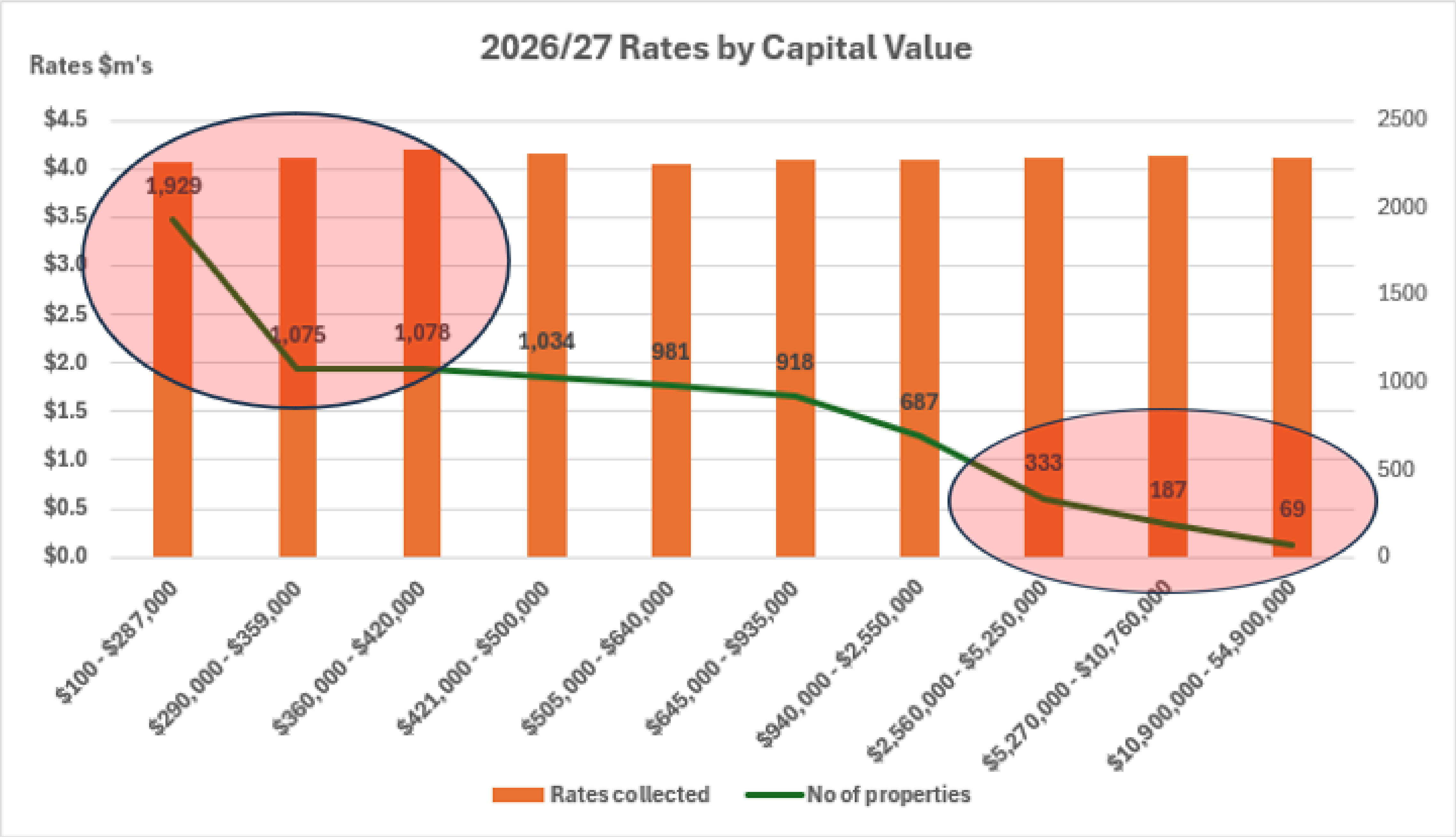
Potential Rate-type Changes

- Determine the UAGC increase: mid-range 20% - 30% cap e.g .25% (incl UAC's)

  OR

  Continue with average rates increase movement
- Differentials for General Rate - is there a base where everyone should pay 1.2
  - plus mid-range 1.0
  - top level, no further benefit – 0.8
- No Water, Wastewater and Stormwater
- Civil Defence – 2026/27 intro CV – suggest UAC for everyone
- The bands (former piggies) - are they still acceptable - fees, charges & other income to determine
- Public Good - no grounds so what is next? Allocate to the activity incurring cost Parks & Reserves, Pools, Public Toilets, Halls & Community facilities
- Rural Schemes will incur full costs of their share – overheads & interest cost

Existing Rate Burden



- 30 % of Rates are collected from 49% of our district properties with a Capital Value between $100,000 and $420,000
- 30 % of Rates are collected from 7% of our district properties with a Capital Value between $2,560,000 and $54,900,000
- At 24% of total rates, the General Rate results in a disproportionate portion of Council activities being paid from high value properties

Potential for Rate-type Changes

- At 24% of total rates, the General Rate results in a disproportionate amount of Council activities being paid from high value properties. Applying a differential could change this.

Example Differentials for General Rate (using 26/27 General Land Category)

Capital Value	No. of ratepayers	Current Rate	Current Rate $
$100 - $795,000	6,145	$0.00133	$3,207,522
$796,000 - $5,330,000	1,216	$0.00133	$3,198,507
$5,340,000 - $52,034,000	238	$0.00133	$3,215,033
	7,599		**$9,621,063**

Capital Value	No. of ratepayers	Differential	Revised Rate	Revised Rate $
$100 - $816,000	6,176	**1.24**	**$0.00165**	$3,954,282
$817,000 - $5,330,000	1,185	**1.0**	**$0.00133**	$3,102,198
$5,340,000 - $52,034,000	238	**0.8**	**$0.00107**	$2,572,027
	7,599			**$9,628,507**

Including remission above total general rate of $1090.27 (ie above next teir @$817,000)

Including remission above total general rate of $5694,58 (ie above next teir @$5,340,000)

Capital Value	Current	With General Rate Differential	Change
$120,000	$3,519	$3,559	1.1%
$300,000	$4,009	$4,109	2.5%
$600,000	$4,826	$5,026	4.2%
$800,000	$5,396	$5,664	5.0%

Capital Value	Current	With General Rate Differential	Change
$5,510,000	$16,302	$14,767	-9.4%
$16,620,000	$50,346	$45,715	-9.2%
$22,700,000	$64,383	$58,058	-9.8%
$46,070,000	$130,564	$117,729	-9.8%
$52,034,000	$146,804	$132,307	-9.9%

Inflation Indices - BERL

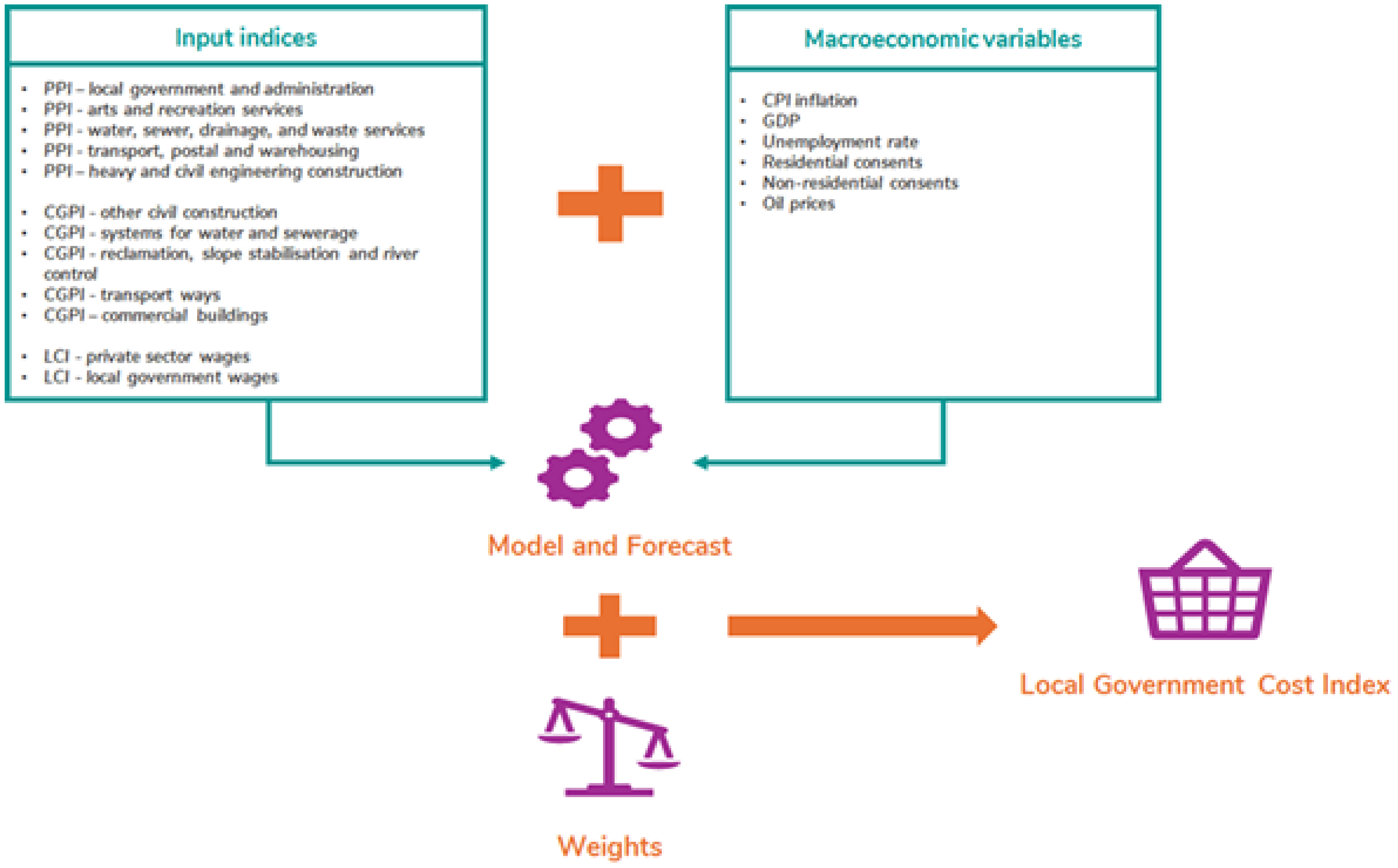
- *BERL's Local Government Cost Index (LGCI) is a composite index that measures the changes in the prices of a basket of goods and services that are purchased by local authorities in New Zealand.
- The intention is to provide local government administrators with a robust, defensible, and replicable estimate of how costs faced by local government are expected to increase in the following 10 years, given the current macroeconomic conditions.
- This is useful for both the planning and the auditing processes.
- The CPI and the LGCI share a common purpose; to track the movements in the price level of a particular basket of goods and services used by their intended audience. The difference between the two is their intended audience.

Input Prices

- Planning and regulation
- Roading
- Transport
- Community
- Waste
- Water

Then combined into 3 indices:

1. OPEX
2. CAPEX
3. Total



Predicted Inflation

Year	LTP years	OPEX	CAPEX	TOTAL – excl water
2026	0	3.6%	4.0%	3.7%
2027	1	3.2%	3.4%	3.3%
2028	2	2.2%	2.1%	2.2%
2029	3	2.3%	2.3%	2.3%
2030	4	2.4%	2.4%	2.4%
2031	5	2.3%	2.3%	2.3%
2032	6	2.2%	2.2%	2.2%
2033	7	2.1%	2.1%	2.1%
2034	8	2.0%	2.0%	2.0%
2035	9	1.9%	1.9%	1.9%
2036	10	1.8%	1.8%	1.8%
Ten-Year Average		**2.2%**	**2.3%**	**2.3%**

Known increases for this LTP

- Increase Civil Defence - Resilience?
- Climate Change – Building reserves for three weather events per annum
- Roading @ 4.5% - as adopted by Council on 13 August
- Additional/replacement Toilets – Taihape $256k
- Impact of new buildings/projects
- Paying back debt
- Inflation starting in the 3.4 – finishing @ 1.8% Average of 2.3%

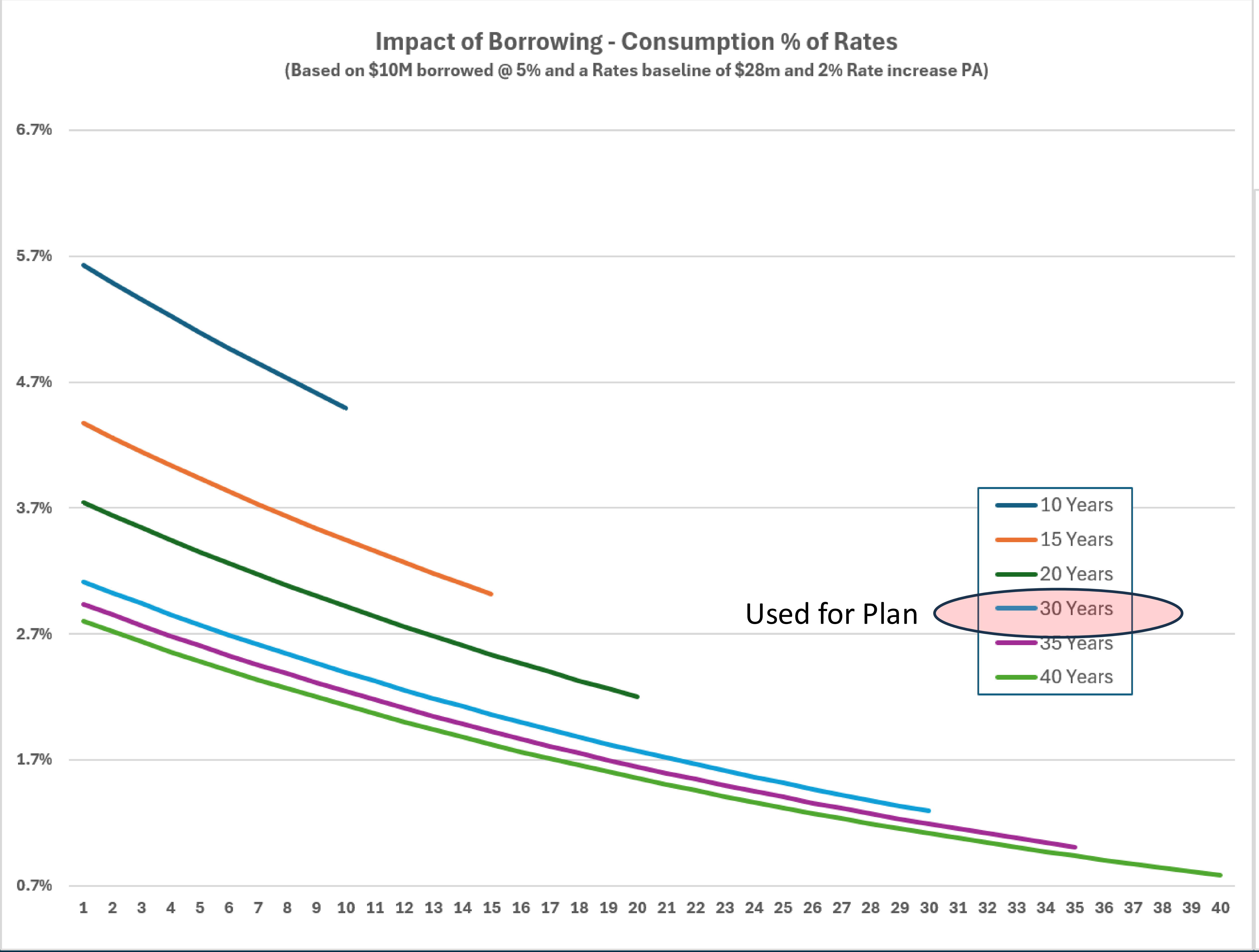
Where does this take us…..

Impact on Rates with Capital Programme

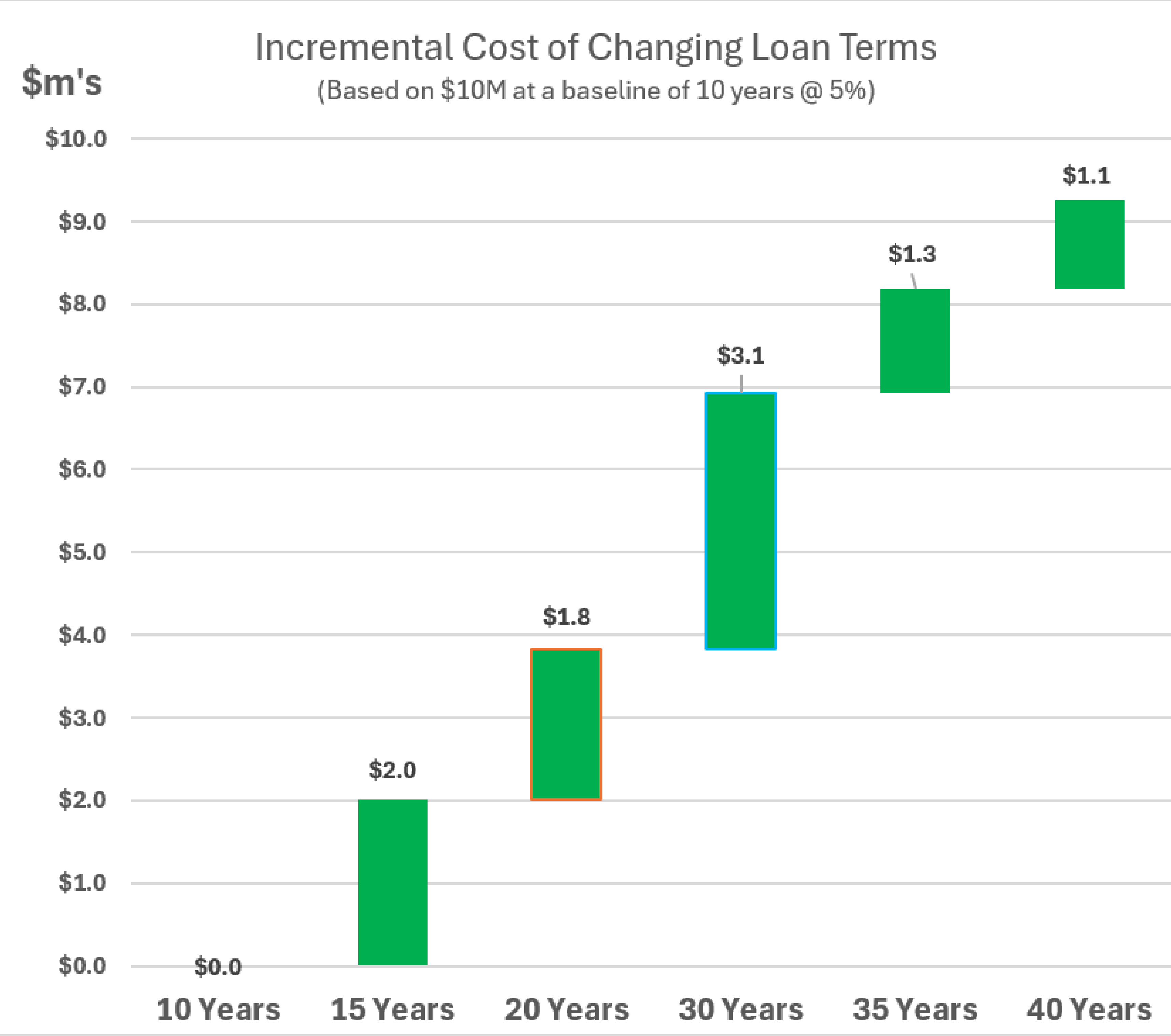
	Included in 2026/27 Plan $m	2027/28 $m	
Growth and LOS			
Taihape Town Hall	4.60	9.30	
Taihape Grandstand*	0.65	0.00	
EOC	3.03	0.00	
Marton Build Refurb/or Hub	4.97	9.00	
Taihape Toilets	0.26	0.00	
Other		0.544	
Total		**18.844**	Debt funded in 2027/28
Renewals			
Other	1.10	0.80	Rates Funded
Marton Pool	5.30	0.00	
Erewhon Rural Water Scheme	5.00	0.00	
Total Capex		**19.644**	

* will be carry in funding from 25/26

Debt Repayment



The longer the term, despite the reducing impact on rates, the more expense the debt becomes

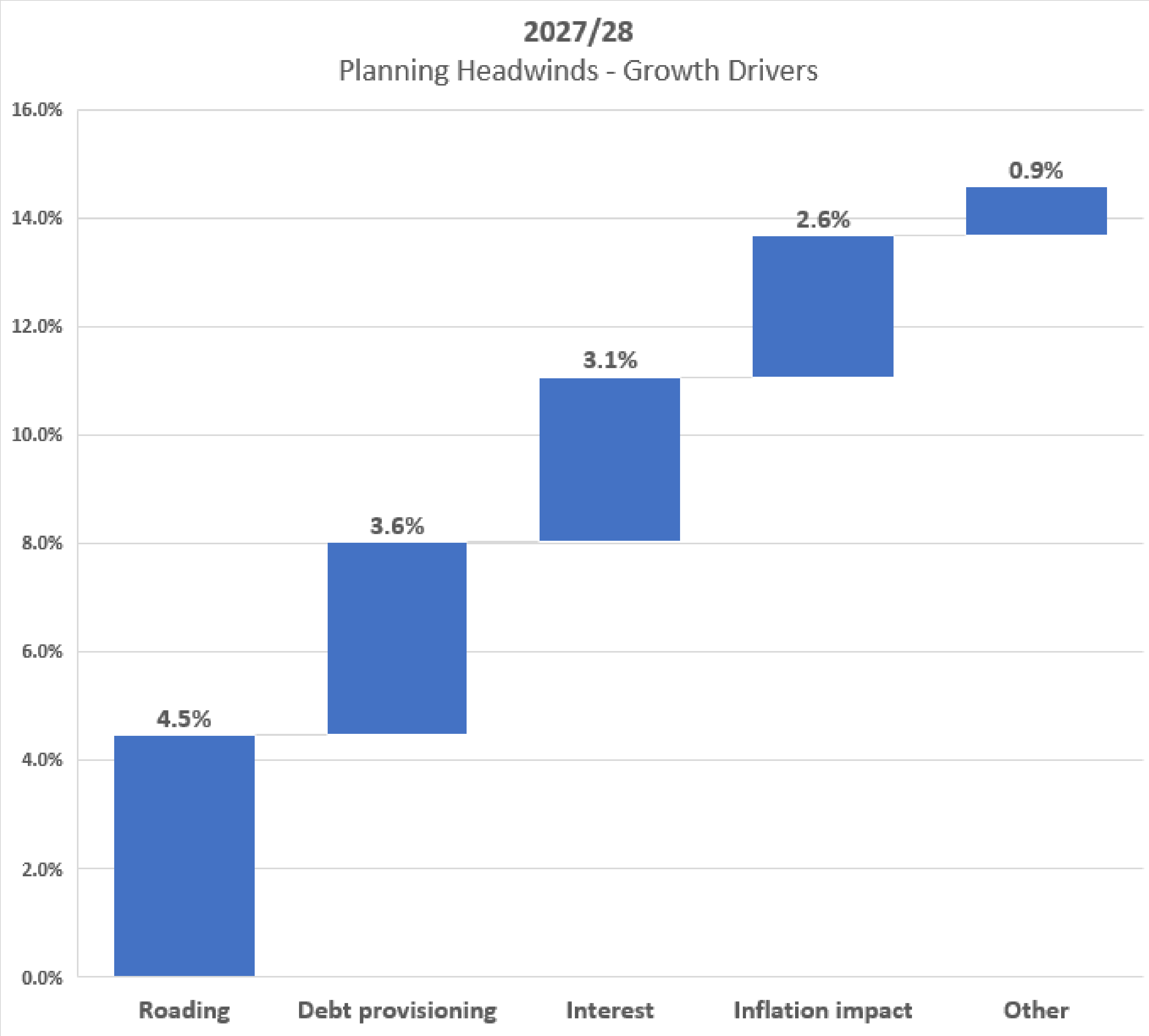


Balancing the Budget

	2027/28 ($000)	2028/29 ($000)	2029/30 ($000)
Revenue			
Rates	32,933	35,349	36,393
Subsidies and grants for operating purposes	8,202	8,516	8,842
Fees and charges	3,902	4,019	4,139
Interest and dividends from investments	549	549	549
Local authorities fuel tax, fines, infringement fees, and other receipts	764	787	811
Total Operating Revenue	**46,349**	**49,219**	**50,734**
Expenses			
Depreciation and Amortisation	13,032	13,072	13,112
Payment to suppliers	25,488	26,379	27,302
Personnel Costs	12,359	12,730	13,112
Finance costs	1,971	2,454	2,475
Total Operating expenditure	**52,850**	**54,635**	**56,001**
Operating Surplus Deficit	(6,501)	(5,416)	(5,267)
Noting planned renewals funding (excluding roading)	800	1,097	1,063

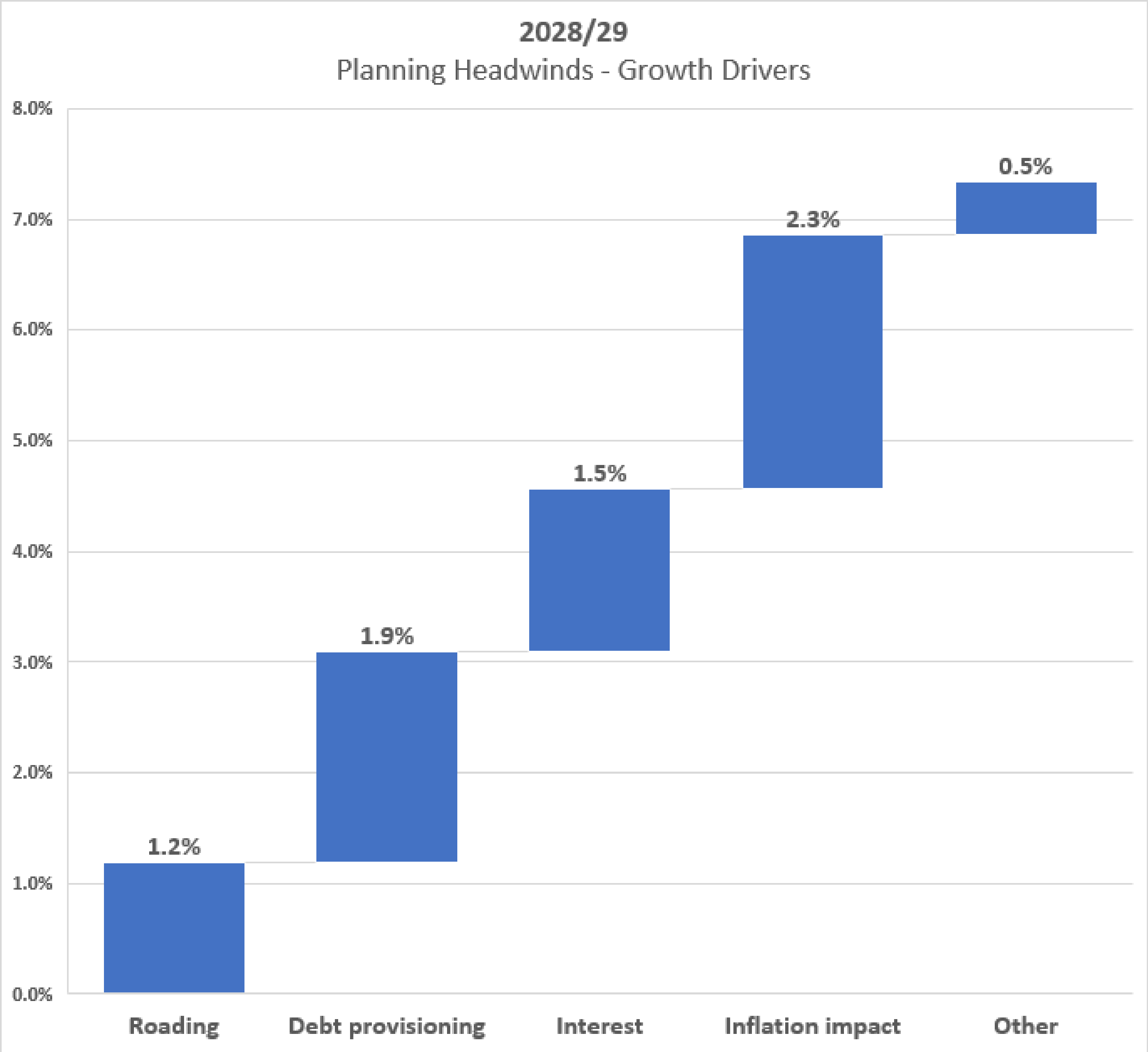
YR 1 - Changes - % rates increase

	2026/27			2026/27			14.6% 2027/28
	Annual Plan	Less Roading	Less 3 Waters	Normalised (Baseline)	Roading Year 1	Non Roading Year 1	Total
	($000)			($000)			($000)
Sources of operating funding							
General rates, uniform annual general charge, rates penalties	15,059		-	15,059			32,933
Targeted rates	23,987	(9,117)	(10,920)	3,950	10,373		
Subsidies and grants for operating purposes	6,511	(6,155)	-	356	7,846	356	8,202
Fees and charges	3,867	(20)	(59)	3,788		3,902	3,902
Interest and dividends from investments	459		-	459		549	549
receipts	1,050	(164)	(144)	742		764	764
Total operating funding (A)	**50,933**	**(15,456)**	**(11,123)**	**24,354**	**18,219**	**5,571**	**46,349**
Applications of operating funding							
Payment to suppliers	26,848	(10,487)	(3,921)	12,440	12,675	12,813	25,488
Personnel Costs	13,409		(1,410)	11,999		12,359	12,359
Finance costs	3,290	(559)	(2,179)	552	559	1,412	1,971
Internal Overhead Expense	1,200	(1,534)	(1,147)	(1,481)			-
Total applications of operating funding (B)	**44,747**	**(12,580)**	**(8,657)**	**23,510**	**13,234**	**26,584**	**39,818**
Surplus (deficit) of operating funding (A - B)	**6,186**	**(2,876)**	**(2,466)**	**844**	**4,985**	**(21,013)**	**6,531**
Sources of capital funding							
Subsidies and grants for capital expenditure	6,722	(6,722)	-	-	8,100		8,100
Increase (decrease) in debt	39,094		(13,043)	26,051		18,844	18,844
Gross proceeds from sale of assets	253		-	253		254	254
Total sources of capital funding (C)	**46,069**	**(6,722)**	**(13,043)**	**26,304**	**8,100**	**19,098**	**27,198**
Application of capital funding							
Capital expenditure							
- to meet additional demand	12,102	(102)	(11,820)	180			
- to improve the level of service	14,390	(166)	(1,048)	13,176		18,844	18,844
- to replace existing assets	25,868	(10,612)	(3,817)	11,439	13,085	800	13,885
Increase (decrease) in reserves	(2,133)	957	1,176	-			-
Increase (decrease) in Cash and Investments	2,028	325	-	2,353		1,000	1,000
Total applications of capital funding (D)	**52,255**	**(9,598)**	**(15,509)**	**27,148**	**13,085**	**20,644**	**33,730**
Surplus (deficit) of capital funding (C - D)	**(6,186)**	**2,876**	**2,466**	**(844)**	**(4,985)**	**(1,546)**	**(6,531)**
Funding balance ((A - B) + (C - D))	-	-	-	-	-	(22,559)	-



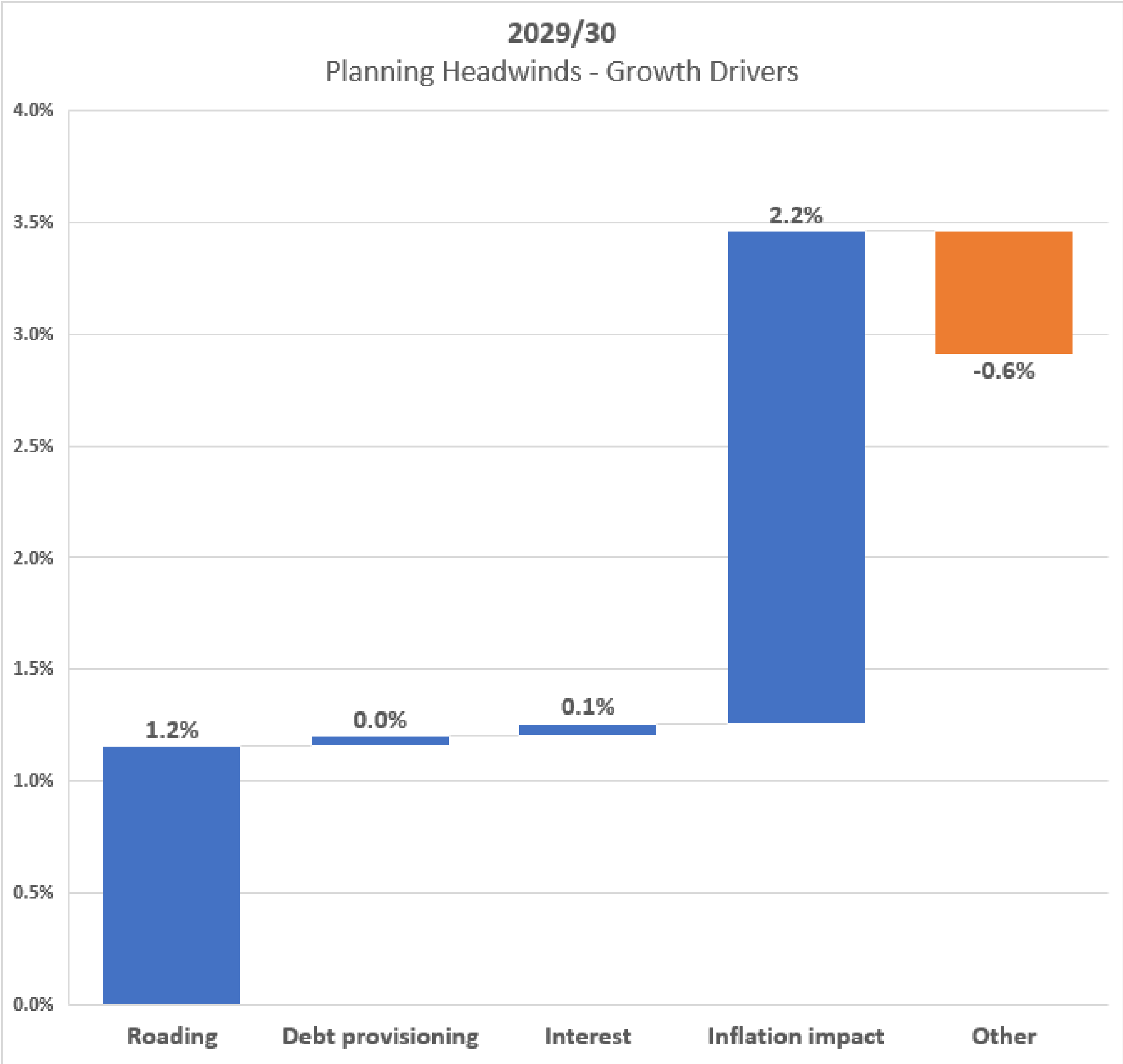
YR 2 - Changes - % rates increase

	2027/28 Total ($000)	Roading Year 2	Non Roading Year 2	2028/29 Total ($000)	Roading Year 3	Non Roading year 3	2029/30 Total ($000)
	14.6%			7.34%			2.95%
Sources of operating funding							
General rates, uniform annual general charge, rates penalties	32,933			35,349			36,393
Targeted rates		10,766			11,174		
Subsidies and grants for operating purposes	8,202	8,160	356	8,516	8,486	356	8,842
Fees and charges	3,902		4,019	4,019		4,139	4,139
Interest and dividends from investments	549		549	549		549	549
receipts	764		787	787		811	811
Total operating funding (A)	46,349	18,925	5,711	49,219	19,660	5,855	50,734
Applications of operating funding							
Payment to suppliers	25,488	13,182	13,198	26,379	13,709	13,594	27,302
Personnel Costs	12,359		12,730	12,730		13,112	13,112
Finance costs	1,971	559	1,895	2,454	559	1,916	2,475
Internal Overhead Expense	-						
Total applications of operating funding (B)	39,818	13,741	27,822	41,563	14,268	28,621	42,889
Surplus (deficit) of operating funding (A - B)	6,531	5,185	(22,112)	7,656	5,392	(22,766)	7,845
Sources of capital funding							
Subsidies and grants for capital expenditure	8,100	8,424		8,424	8,761		8,761
Increase (decrease) in debt	18,844		475	475		361	361
Gross proceeds from sale of assets	254		254	254		254	254
Total sources of capital funding (C)	27,198	8,424	729	9,153	8,761	615	9,376
Application of capital funding							
Capital expenditure							
- to meet additional demand							
- to improve the level of service	18,844		475	475		361	361
- to replace existing assets	13,885	13,609	1,097	14,706	14,153	1,063	15,216
Increase (decrease) in reserves	-			-			-
Increase (decrease) in Cash and Investments	1,000		1,628	1,628		1,644	1,644
Total applications of capital funding (D)	33,730	13,609	3,200	16,809	14,153	3,068	17,221
Surplus (deficit) of capital funding (C - D)	(6,531)	(5,185)	(2,471)	(7,656)	(5,392)	(2,453)	(7,845)
Funding balance ((A - B) + (C - D))	-	-	(24,583)	-	-	(25,219)	-



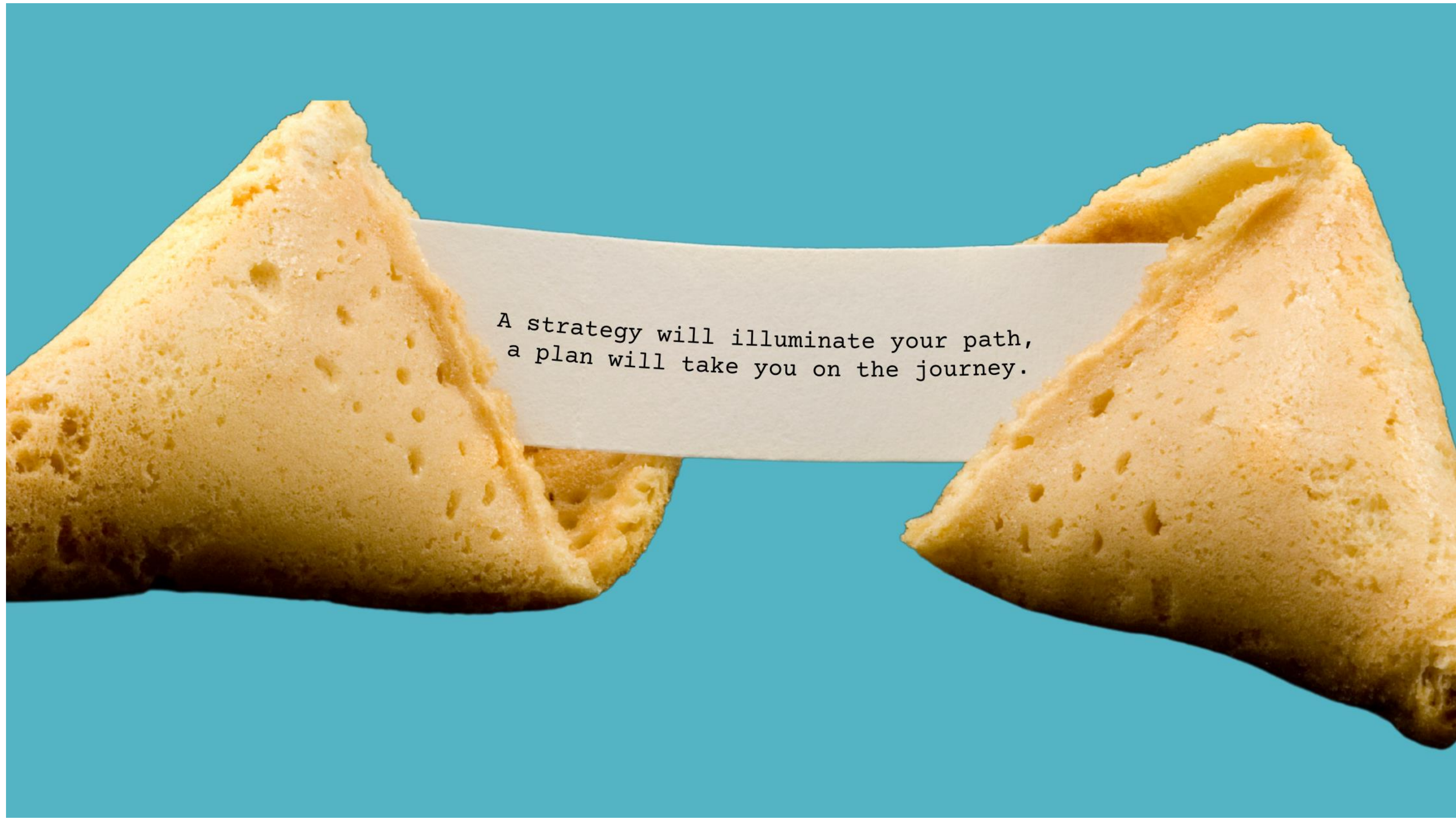
YR 3 - Changes - % rates increase

	14.6%			7.34%			2.95%
	2027/28			2028/29			2029/30
	Total	Roading Year 2	Non Roading Year 2	Total	Roading Year 3	Non Roading year 3	Total
	($000)			($000)			($000)
Sources of operating funding							
General rates, uniform annual general charge, rates penalties	32,933			35,349			36,393
Targeted rates		10,766			11,174		
Subsidies and grants for operating purposes	8,202	8,160	356	8,516	8,486	356	8,842
Fees and charges	3,902		4,019	4,019		4,139	4,139
Interest and dividends from investments	549		549	549		549	549
receipts	764		787	787		811	811
Total operating funding (A)	46,349	18,925	5,711	49,219	19,660	5,855	50,734
Applications of operating funding							
Payment to suppliers	25,488	13,182	13,198	26,379	13,709	13,594	27,302
Personnel Costs	12,359		12,730	12,730		13,112	13,112
Finance costs	1,971	559	1,895	2,454	559	1,916	2,475
Internal Overhead Expense	-						
Total applications of operating funding (B)	39,818	13,741	27,822	41,563	14,268	28,621	42,889
Surplus (deficit) of operating funding (A - B)	6,531	5,185	(22,112)	7,656	5,392	(22,766)	7,845
Sources of capital funding							
Subsidies and grants for capital expenditure	8,100	8,424		8,424	8,761		8,761
Increase (decrease) in debt	18,844		475	475		361	361
Gross proceeds from sale of assets	254		254	254		254	254
Total sources of capital funding (C)	27,198	8,424	729	9,153	8,761	615	9,376
Application of capital funding							
Capital expenditure							
- to meet additional demand							
- to improve the level of service	18,844		475	475		361	361
- to replace existing assets	13,885	13,609	1,097	14,706	14,153	1,063	15,216
Increase (decrease) in reserves	-			-			-
Increase (decrease) in Cash and Investments	1,000		1,628	1,628		1,644	1,644
Total applications of capital funding (D)	33,730	13,609	3,200	16,809	14,153	3,068	17,221
Surplus (deficit) of capital funding (C - D)	(6,531)	(5,185)	(2,471)	(7,656)	(5,392)	(2,453)	(7,845)
Funding balance ((A - B) + (C - D))	-	-	(24,583)	-	-	(25,219)	-



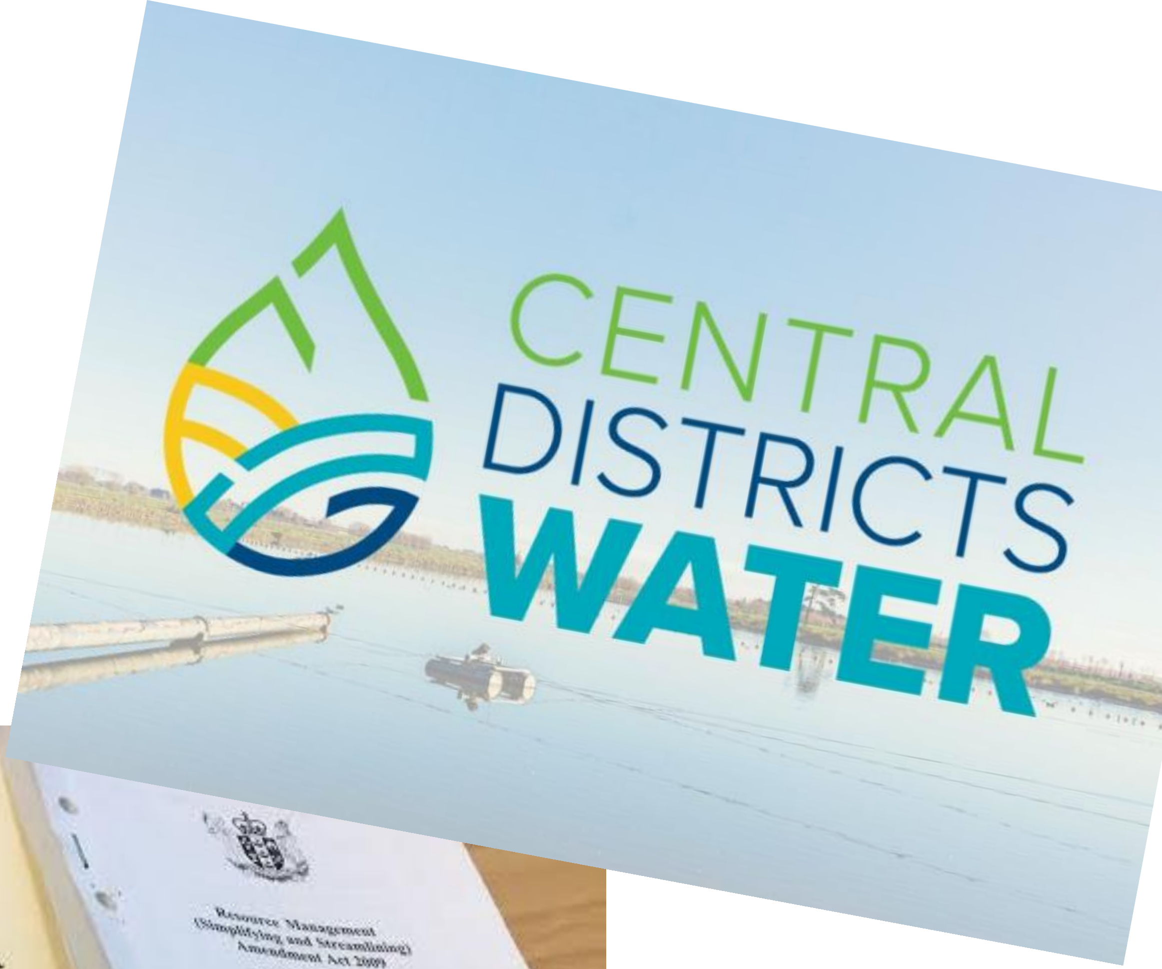
Strategy to get to 2% in 2029…

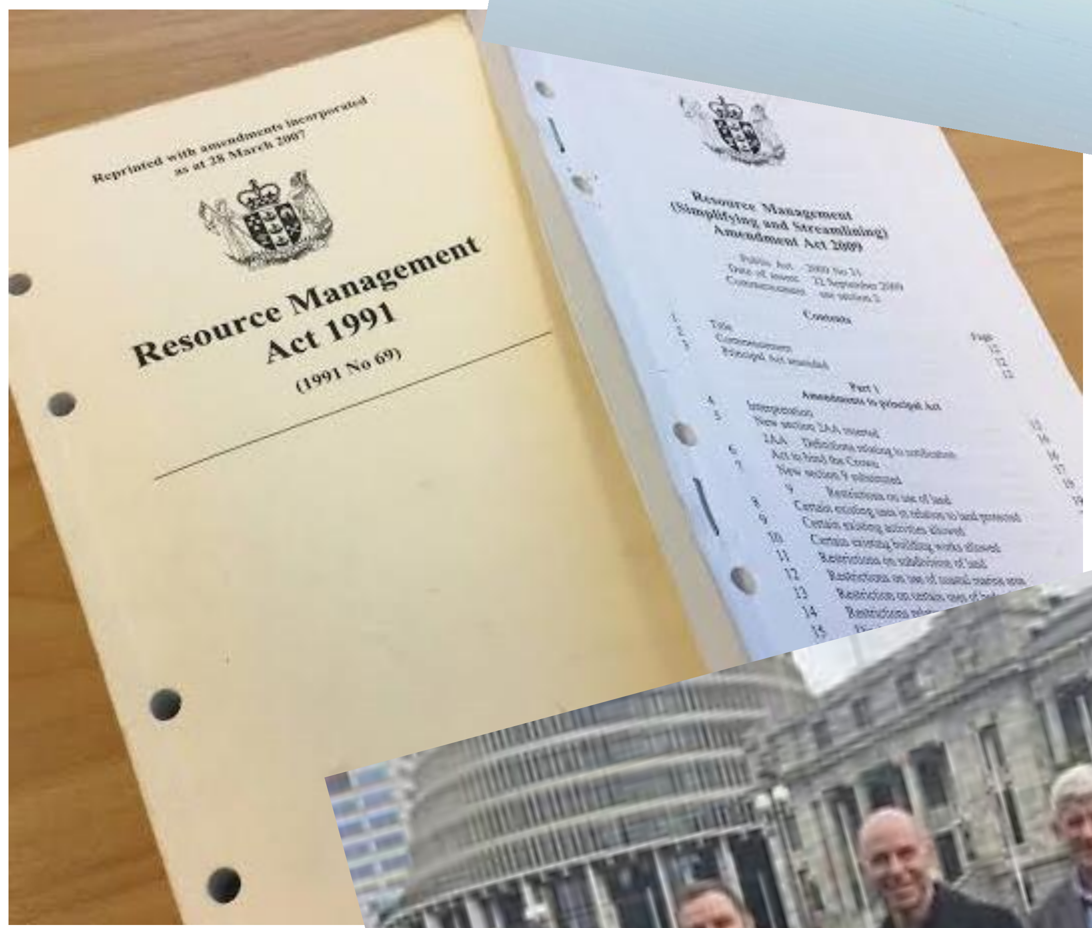
- Sale of Properties?
- Reduce borrowing - No significant capital expenditure on buildings beyond this year – will save interest, debt repayment
- Amend levels of service
- Comprehensive review of all fees and charges and property rentals
- Review MDC shared service agreement for Animal Control
- Review pool management contract



What’s missing or uncertain?

- We don’t know what CDW will charge
- We don’t 100% know where key local government reforms will land
    - Will there be any changes to what is excluded from rates cap – e.g. Roading
    - How will the Simplification of Local Government pan out?
- Changes to Groups of Activities and core services?





Workshop Notes

The following workshop notes are uploaded on BigTinCan

- 23 July 26
- 30 July 26
- 13 August 26

Ngā mihi, Thank you

RANGITĪKEI
DISTRICT COUNCIL